

Sreyan Chatterjee and Pradeepan Ravi

Threadbare: Working Conditions At South Indian Leather-based Workplaces

February 2023



**Cividep
India**



**Together for
Decent Leather**

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Threadbare: Working Conditions At South Indian Leather-based Workplaces

February 2023

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About Cividep India

Cividep has been working on corporate accountability and workers' rights since the year 2000. Based in Bangalore, and with field offices in other locations in south India, Cividep's work aims to safeguard the rights of communities, especially workers employed in global supply chains. We strive to hold corporate entities accountable for the impacts of their business on workers and the environment. To this end, Cividep conducts research on working conditions and corporate conduct across a range of export-oriented industries, engages in worker education, and advocates for policy change. These initiatives are focused on the garment, leather, and electronics industries, on coffee and tea plantations, and in the area of business and human rights. Cividep is an active member of national and global networks working for the advancement of responsible business conduct and human rights.

Cividep has been active in Ambur municipality, the largest leather manufacturing hub of south India, since 2013, and has conducted several studies on the working conditions of tannery, factory, and home-based workers in the leather sector. Cividep's research has covered issues such as low wages, occupational health and safety, and precarious working conditions faced by workers. Since 2020, Cividep has been working on the Together for Decent Leather programme, a multi-stakeholder partnership programme carried out by a European–Asian consortium of seven civil society organisations and supported by the European Union. Our goal is to improve working conditions and to reduce labour rights abuses, focusing on leather production hubs in South Asia, in particular in Vellore (undivided) and Chennai districts in Tamil Nadu, India; in greater Karachi in Pakistan; and in the greater Dhaka region in Bangladesh.

Executive summary

This study focuses on employment and working conditions in leather footwear manufacturing and leather production in the Ambur leather cluster in Tamil Nadu, India. It covers formally registered factories and tanneries that cater to the export market and generally small unregistered tanning units whose links with the international supply chain are unclear.

Through interviews with workers, we aimed to understand wage levels, overtime pay, the gender pay gap, working hours, production targets, and access to social security entitlements. We also sought to understand access to entitlements for women workers such as maternity and childcare benefits, occupational health and safety standards, access to statutory committees, freedom of association, grievance redress mechanisms, and the incidence of child labour if any.

From our research, we can discern that shoe factories have a predominantly female workforce, while tanneries employ more men. However, work is gendered within both spaces, although it may not always appear so. Most workers belong to marginalised and/or minority caste and religious groups. Though identity-based discrimination is prevalent, workers didn't or were unable to go into the details, preventing us from gathering evidence.

There are both contract and permanent workers in the industry. However, many of the workers didn't have contract or employment letters, making it difficult for them to access social security and other benefits. More than a third of the workers in both shoe factories and tanneries received less than the minimum wage stipulated by the Tamil Nadu government. None of the workers received wages anywhere close to a living wage. An overwhelming majority of respondents mentioned that their current wages are insufficient to meet their basic needs. We also found a gender pay gap in shoe factories, with male workers drawing higher salaries on average than female workers.

Additionally, we noted that production targets have been increasing in the last decade. If workers are unable to meet these targets, they face punitive measures such as extra working hours. Overtime work is also common, although it is often not compensated at the legally mandated rates for overtime pay.

Although there exist several statutory workplace committees for work, safety, and harassment in Indian workplaces over a specified size, these were largely ineffective due to inadequate worker representation and managements' inability to address grievances. Most factory managements also reportedly discourage the expression of freedom of association.

Conclusions and recommendations

The report ends with conclusions summarising the main findings from the research, followed by recommendations for buying companies and brands, suppliers, and other stakeholders in the leather supply and value chains.

Our main recommendations are:

- Buying companies, brands, and suppliers should ensure due diligence through business responsibility and accountability mechanisms.
- Buyers, brands, and suppliers should commit to cross-border supply chain mapping and transparency.
- Leather footwear and leather sector actors should embrace rule-based supply chain governance through 360-degree stakeholder feedback.
- Buyers, brands, and suppliers should build business operations for the long term through better contracting processes.
- Suppliers should ensure proper employment contracts for workers, and statutory committees, and should end discriminatory practices.
- Suppliers and brands should ensure that maternity benefits and childcare facilities are available to all women workers without any discrimination.
- All industry actors and relevant governments should ensure living wages for all workers in the footwear and leather sector.
- Buyers, brands, and suppliers should ensure that effective grievance redress mechanisms are available to all workers.
- All industry actors, relevant governments, and other stakeholders should actively promote freedom of association across the industry.

1 Introduction

Southeast Asia is a major manufacturing hub for leather products, and India is substantially integrated into global leather goods supply chains. As a significant exporter and consumer of leather goods, India's supply chain integration is driven by both internal and external consumer demand. The leather and footwear industry in India is labour intensive and absorbs a large number of workers each year.

As a dispersed, export-oriented industry, the Indian leather sector's supply chains are interwoven in complex patterns and subject to considerable variation. There are sophisticated leather goods factories employing hundreds of workers, medium-sized tanneries with dozens of workers, and home-based workshops with families involved in production.

A wide variety of stakeholders are involved in the industry. Besides the shoe factory workers, there are the farmers who raise cattle, slaughterhouse personnel, leather tanners, leather factory owners, home-based workers, buying agents, traders, brands, and retailers. It is important for policymakers to understand what the varying interests of these stakeholders are and possible alignments and conflicts. For example, brands and suppliers may both benefit from a reliable supply chain monitoring mechanism but a clarity on cost-sharing would be necessary before these groups of stakeholders can align and act together.

Companies based in the European Union (EU) that import and manufacture leather shoes and other leather goods are major importers of leather items from India. The Vellore district (undivided) in Tamil Nadu state, including the recently formed Ranipet and Tirupattur districts, is both the largest leather hub in the country and a significant contributor to this EU-India trade relationship (Figure 1). Arisa conducted a field visit to this cluster as part of this study (see below).

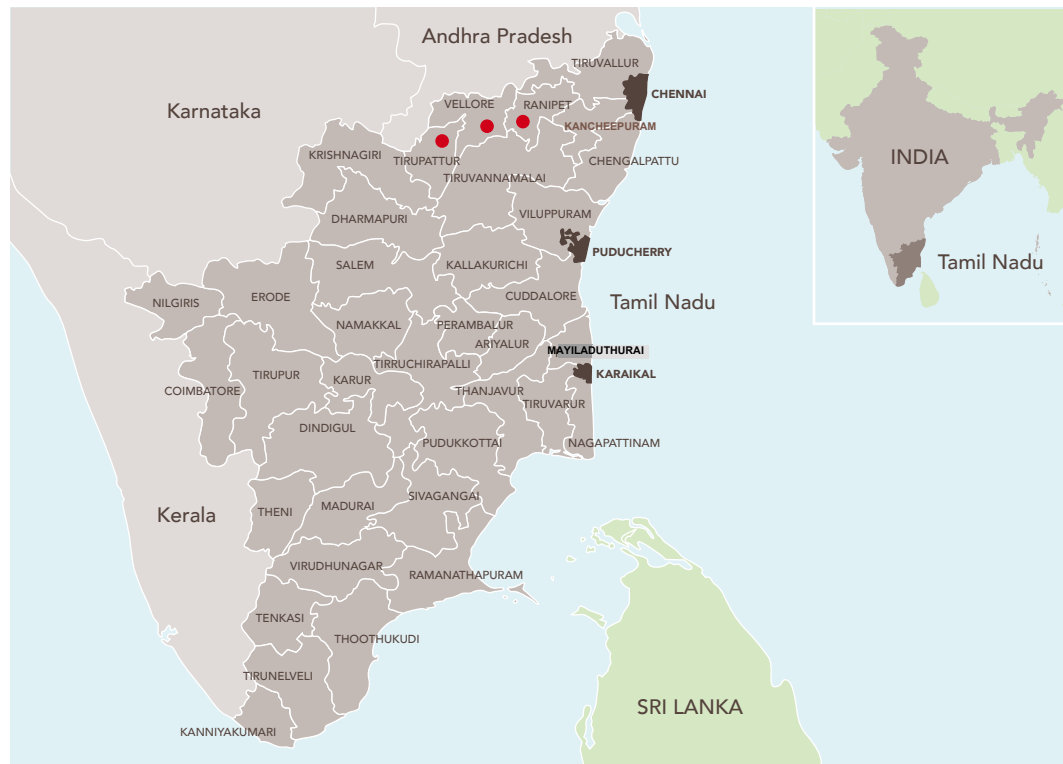


Figure 1. District map of Tamil Nadu, with leather hubs in Vellore district (undivided – with Vellore, Ranipet and Tirupattur districts) marked in red

The leather sector is one of India's top 10 foreign exchange earners. The sector's export value was around USD 5.5 billion in 2019 and it absorbed nearly 4.42 million formal workers.¹ In the last two decades, the industry has been on an upward surge in production volume while showing a gradual transition from lower-value to higher-value items.

Poor track record

As a major contributor to the country's export economy, India's export-oriented leather industry is closely watched by policy-makers and civil society. The sector has had a poor track record in terms of environmental impact, social sustainability, and labour rights. From Cividep's past experience with mapping impacts of production activities in this sector, we have noted some common and recurring issues.

Workers in both tanneries and factories have reported serious health problems due to the presence of industrial chemicals in processing baths and leather dust, high ambient noise levels in the workplace, manual lifting of heavy weights, and long hours spent standing to meet high production targets.² Employment conditions are characterised by low wages, informal employment relationships, and lack of compliance with laws related to overtime, leave, and occupational health and safety due to chemicals and leather dust in the workplace. Communities living close to tanneries have reported a consistent loss of quality in groundwater.³ This has had an adverse effect on soil fertility and agricultural productivity.

Historical background

The Indian leather industry's integration into global value chains is not a recent phenomenon. The colonial British government introduced the then predominantly rural leather industry to global markets in the late 1870s, and this set in motion the switch to the export of higher-value-added products. Leather manufacturing – that is, the production of raw hides and skins, as well as products for local use (such as farm implements, water storage bags, and other tools) – had a considerable rural consumption base. Leather workers catering to such demands belonged to the so-called “depressed castes”.

The pre-colonial rural leather economy was organised as a caste-based service that performed two roles: disposal function for naturally expired cattle, and production of essential and luxury leather items for local use. In terms of natural resources, while water and access to the cattle population were essential, forest produce that could yield natural tannins was an important part.

While the availability of water remains a core input, in the present-day industry the availability of chemicals and cattle hide in urban centres is no longer a significant constraint. Much of this transformation can be attributed to linkages to global supply chains in response to the demands of an expanded market. Equally, transformation in global supply chains is not always unidirectional; supply chain actors in the Global South can significantly reshape the nature of value creation in the Global North.⁴

Exposure to global markets and the consequent high demand brought requirements for standard quality and supply at industrial scales. Neither of these were possible from the rural base of the industry in India. Thus leather tanning and finishing workshops began to be set up in urban centres. Internal migration of workers started increasing, while contractual relationships and trading networks began solidifying between slaughterhouses and tanneries.

The First World War was a watershed moment. Orders from the armed forces for leather products, supplementing demand from global markets, incentivised domestic capital investment in factories and workshops. Although a number of these establishments would fail to sustain themselves after the end of the war, the boost in manufacturing ability and expertise would push India's leather sector into a higher orbit of the global leather value chain.

A significant knock-on effect was the introduction of artificial chemicals to quicken and standardise the tanning process. Chromium sulphate as a tanning agent (a process now referred to as chrome tanning) reduced the processing time for hides from weeks to days. Plant-based tannins have less impact on worker health and the environment. But the earlier process of vegetable tanning (also known as "East India" tanning) gradually made way for chemical treatment due to shorter turnaround times.

India's modern leather industry still carries the hallmark of its colonial origins. Chrome tanning's popularity in the Tamil Nadu leather hubs and policy-makers' efforts to abate its adverse effects continue to this day. In the last two decades, more attention has turned to the sustainability of the sector, primarily its environmental impact, through an environmental, social, and governance (ESG) lens. However, there has been less focus on the sector's social and governance aspects.

About this report

This study focuses mainly on the social sustainability aspect of export-oriented leather production in India, particularly on working conditions in the specific geographical cluster of the Ambur leather cluster in Tirupattur district of Tamil Nadu state, south India. We believe this aspect makes the findings of the report particularly relevant for researchers and policy-makers.

As part of our research, we undertook a literature review. Here we found only a limited number of studies by civil society organisations on working conditions in the Indian leather sector. Our review of these studies highlighted the sector's poor working conditions, marked by low wages, occupational health and safety risks, compulsory overtime, and a lack of freedom of association. Findings from our earlier studies conducted during the pandemic suggest that Covid-19 and the attendant disruption of logistics adversely impacted the leather industry. There were cancelled orders from brands, missed payments to suppliers, and consequently unpaid wages for many workers.⁵ Legitimate safety concerns and Covid-19 protocols had kept most workers away from workplaces. However, not all returned to work upon the lifting of those protocols.

In these circumstances, there is considerable possibility of deterioration in working conditions from the pre-pandemic status quo. Hence, a new study on this subject is relevant to capture the experiences of workers. This will help in understanding the emerging challenges to address the deficit of decent work in India's leather and leather products sector.

The scope of this report, then, is to investigate the prevailing employment and working conditions in footwear and other leather products manufacturing in the Ambur leather cluster in Tamil Nadu. The largest leather hub in India caters for major European brands and retailers.

As part of the Together for Decent Leather programme, Arisa produced a [supply chain mapping report](#), which established the links between European brands and their suppliers in India.⁶ This current study was envisaged as a follow-up to the

supply chain mapping exercise to investigate the conditions in some of the production facilities. We have mainly focused attention on tanneries and leather shoe factories.

Besides this main focus, we added a smaller sub-study to the main field research. Apart from the formally registered units that process hides, smaller unregistered processing units or tanneries located in villages undertake the same work. It is unclear what role they play in the export leather industry – for instance, whether they take up a specific part of the processing for the formal industry or are separate from international supply chains. We decided to include these unregistered tanneries in the study to piece together a preliminary understanding of the production mechanics of the sector's lower tiers. Our findings concerning working conditions in these informal units are included as part of this report.

This report is based on the findings from our field study on behalf of the Together for Decent Leather consortium. The overall aim is to inform consortium members and stakeholders in the leather value chain of the factual matrix so that all those involved can act to improve the Indian industry's working conditions and productivity.

2 Research design

In the planning for this report, the focus of the researchers was to zero in on particular parts of the supply chain that have not received sufficient attention from brands. Shoe factories and tanneries are closely linked and are central to the final product. This linkage may serve to enable these sites to act as indicators of the changes needed for safe and productive working conditions in the entirety of the supply chain.

2.1 Research methodology

For this report, we undertook, first, desk research to understand macroeconomic trends affecting India's leather sector and to review the existing literature. The second step was our field study of working conditions in the Ambur cluster through surveys in the form of interviews with 61 workers (31 working in tanneries and 30 in shoe factories). This was an explorative and quantitative study, with interviews conducted among both tannery and leather footwear factory workers in October and November 2021. In addition, we undertook a qualitative sub-study with workers in unregistered tanneries around Ambur municipality. For this purpose, we interviewed 10 workers from these units in December 2021. We also conducted semi-structured interviews with the leaders of two trade unions in Ambur.

The design of the field study was finalised in the form of semi-structured long-form interviews, with two standardised questionnaires to interview shoe factory workers and tannery workers respectively. To ensure our interviews would focus on the most pressing challenges facing decision-makers looking to enhance conditions in India's leather supply chain, we designed the questionnaires to explore the following themes:

- Prevailing wage levels, overtime pay, and the gender pay gap.
- The nature of employment relationships and especially their documentation.
- Working hours, holidays, and production targets.
- Access to social security entitlements.
- Access to entitlements for women workers such as maternity and childcare benefits.
- Occupational health and safety standards.
- Access to statutory committees and freedom of association.
- Grievance redress mechanisms.
- Unfair discrimination.
- Incidence of child labour.

For our sub-study, the focus was to understand workers' experience in, and the role of, the smaller unregistered informal tanneries and their links to the formal industry and to the export value chain.

Another thematic objective was to build a gender and demographic profile of workers. Additionally, we sought to understand prevalent working conditions in terms of workers' occupational mobility and opportunities to negotiate better terms and conditions.

Worker participants in such surveys often do not wish to respond to questions at their workplace, fearing an adverse reaction from their managers. Hence we undertook these interviews in residential settings or at the local Civedep office, where participants were assured of their privacy.

2.2 Details of the sample

Our sampling for the study was non-random and aimed to reach as diverse a group as feasible in terms of gender, employment status, and age within the constraints of researcher time and access to workplaces (Table 1).

Workplaces	Number of workers	Gender ratio (M:F)	Average age
Tanneries (5)	31	30:1	42.9
Shoe factories (5)	30	7:23	34.3
Informal tanneries/factories	10	6:4	NA

Table 1. Details of sample for interviews

Considering our objective of providing an early factual view and not necessarily a completely representative view of the sector, we intended our approach to provide readers with a suitably detailed snapshot.

A limitation of the study is its close geographical specificity, that is, the focus on a single municipality, Ambur. While this may reveal specific local nuances it may not necessarily reflect wider trends.

The five tanneries selected included both exporting tanneries and those connected within India to export-oriented shoe factories, while the five shoe factories covered were all direct exporters. At least six workers from each tannery or factory were interviewed. In one tannery, an additional female worker was interviewed.

With the 10 informal tannery/leather workers in the sub-study, in place of the standardised questionnaires used for the main sample we undertook semi-structured interviews based on a short interview guide.

In addition, as mentioned above, we conducted semi-structured interviews with two trade union respondents who have expertise in the leather sector and/or in-depth knowledge of the workers' situation.

3 The Indian leather and footwear industry

The importance of the leather and footwear industry in India can be gleaned through a number of lenses: employment statistics, trade volumes, revenues, and contribution to GDP (gross domestic product). The industry provides productive work for around 4.42 million people, of whom around 30% are women. The sector's ratio of women to men should be read in the context of the overall female labour force participation rate (FLPR) in the economy. India's FLPR, for all sectors in aggregate, hovered around 18% in 2018 and 2019 (before the COVID-19 pandemic).⁷

India contributes around 13% of the global output of leather and around 10% of global footwear.⁸ In terms of the product, exports consist of raw hides or skins, finished leather, leather goods, leather garments (India is the second largest global exporter), leather footwear components, and saddlery and harnesses (India is the third largest global exporter).⁹

Ten states share in India's total production of leather, with Tamil Nadu one of the most significant contributors (Figure 2).

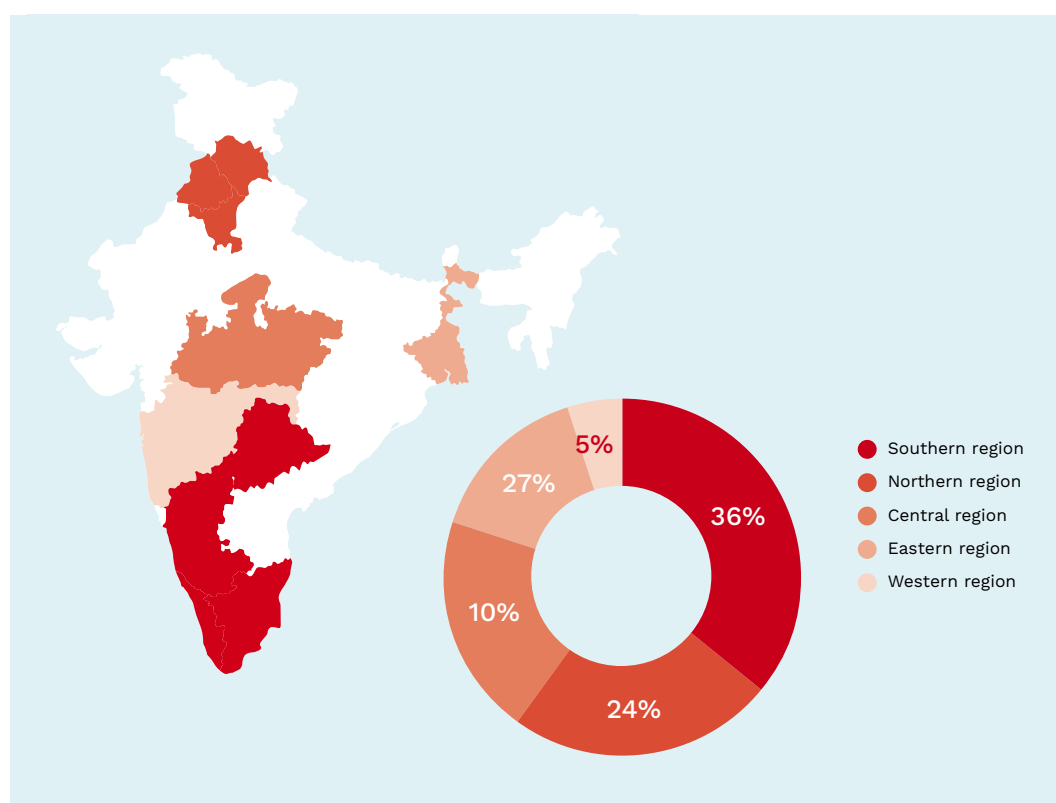


Figure 2: Regional breakdown of contributions to India's leather industry¹⁰

The demand drivers for the leather sector in India are footwear (55%), furniture and automotive (20%), clothing (15%), and other industries (10%). More than 50% of bovine hides and around 40% of sheepskins and goatskins are processed into footwear, while the remainder is used for the production of garments, furniture, and travel goods.¹¹

Between 2014 and 2018, there was a decline of around 13% in India's exports of raw hides and skins. Considering hides and skins' low share of exports compared to finished leather or footwear, this may indicate an upward trajectory of the country's leather sector in the value chain (Figure 3). As one of the focus areas of the Make in

India scheme (<https://www.makeinindia.com/>), the sector has the attention of policy-makers and investors alike for its growth potential.¹²

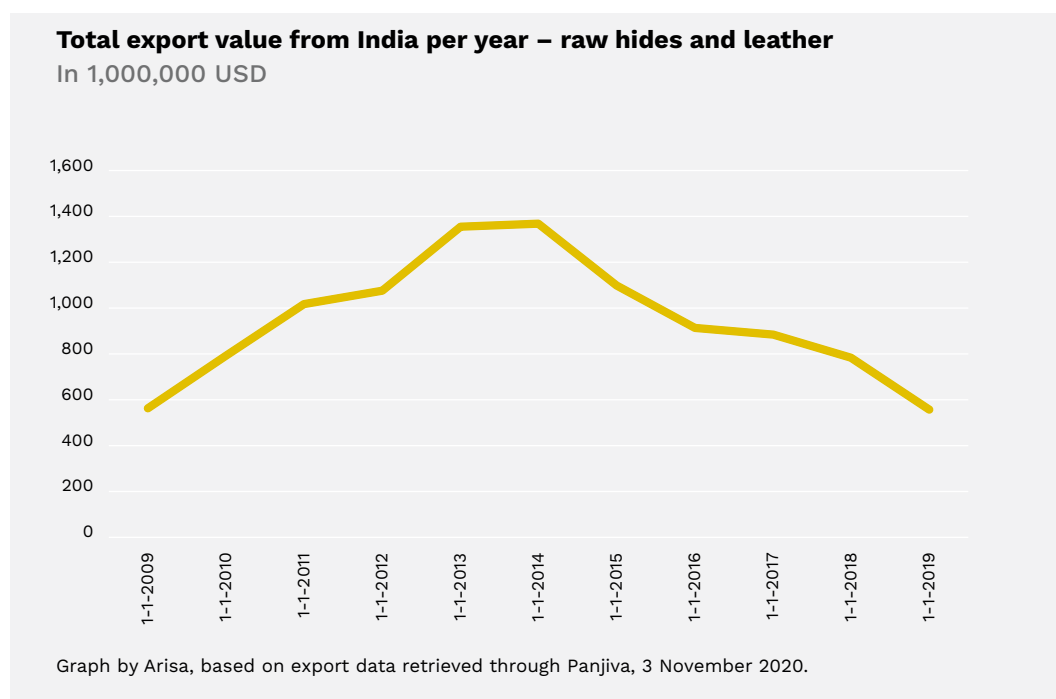
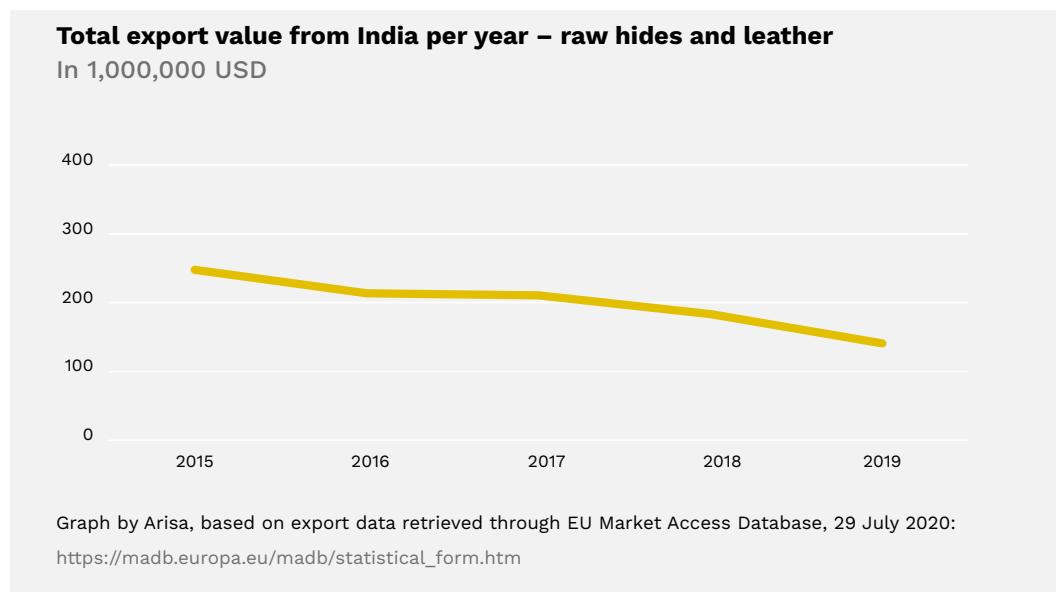


Figure 3. Fall in value of raw leather exports from India to the EU, 2015–19 (EUR millions)¹³

For more recent trends in India’s leather and footwear exports, see Table 2.

Category	April to March	April to March	% variation	% share	% share
	2020–21	2021–22		2020	2021
Finished leather	27,965.34	33,997.24	21.57%	10.28%	9.36%
Leather footwear	109,820.20	152,626.42	38.98%	40.36%	42.01%
Footwear components	14,627.33	18,622.25	27.31%	5.38%	5.13%
Leather garments	21,858.90	25,488.03	16.60%	8.03%	7.02%
Leather goods	69,752.42	95,962.23	37.58%	25.63%	26.42%
Saddlery and harness	13,744.80	20,575.55	49.70%	5.05%	5.66%
Non-leather footwear	14,330.12	15,997.38	11.63%	5.27%	4.40%
Total	272,099.11	363,269.10	33.51%	100.00%	100.00%

Table 2. Comparison of product-specific Indian leather and footwear export trends, 2020–22 (INR millions)¹⁴

In terms of trade partners, India has a varied mix of mostly Global Northern countries it exports leather products to. Figure 4 provides a simple breakdown of the shares of India’s top six leather export country destinations, showing the importance of EU countries. According to an estimate by the India Brand Equity Foundation, in total, the EU accounts for around 57% of India’s leather exports.

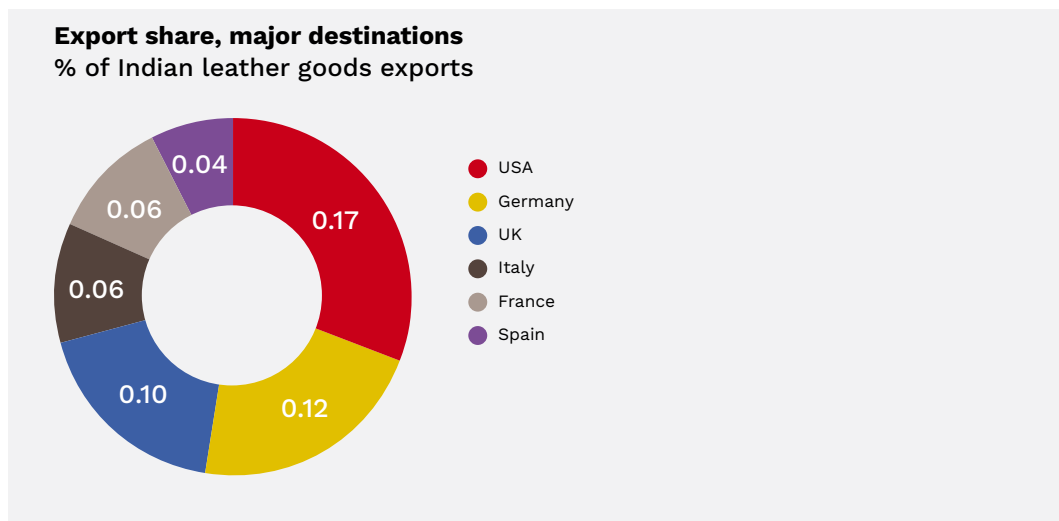


Figure 4. Leading six countries’ percentage shares of Indian leather goods exports¹⁵

Industry processes

Our focus in this report is a subset of the ambit of the Together for Decent Leather coalition. Figure 5 shows in brown Together for Decent Leather’s scope in the leather product lifecycle. Our subset consists of tanning and elements of components and goods, shown in yellow. Here we briefly summarise the various processes that are subsumed within tanneries and processing factories to enable a better appreciation of the challenges of ensuring decent and productive working conditions.

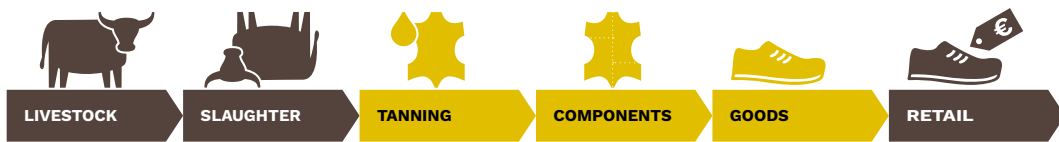


Figure 5. Product lifecycle of leather, showing (in yellow) scope of the present research study

The lifecycle of leather products begins at the level of the farmer who rears cattle for various end uses. Once cattle are slaughtered and skinned, the next step for modern leather manufacturing involves preparation of the raw leather hide for tanning. This step is called salting and involves curing the skin or hide with salt to remove excess water and then soaking it again with fresh water to balance the moisture level.

The next step is liming: the removal of the hair, nails, and various keratinous deposits from the hide. After liming, the process of reducing the acidity of the hide takes place through deliming.

Next, hides are softened through a process of immersing them in enzymes, called bathing. The final step of this preparatory process is pickling, which consists of treatment with salt and sulphuric acid to prepare for chrome tanning.

When it is dipped in chromium sulphite (or “chrome”), the hide produces an intermediate product called “wet blue”, named after its blue hue from being treated with chrome. This marks the end of the wet processes, and the leather is then dried and made pliable for shaving and finishing.

Machine-intermediated processes make up the next steps, in which the leather is split into layers and variously treated or polished with chemicals, oils and/or manually cut. The final product from the tannery forms the raw material for finishing factories as well as for home workshops making shoe “uppers” as a component of a fully finished shoe (Figure 6).¹⁶

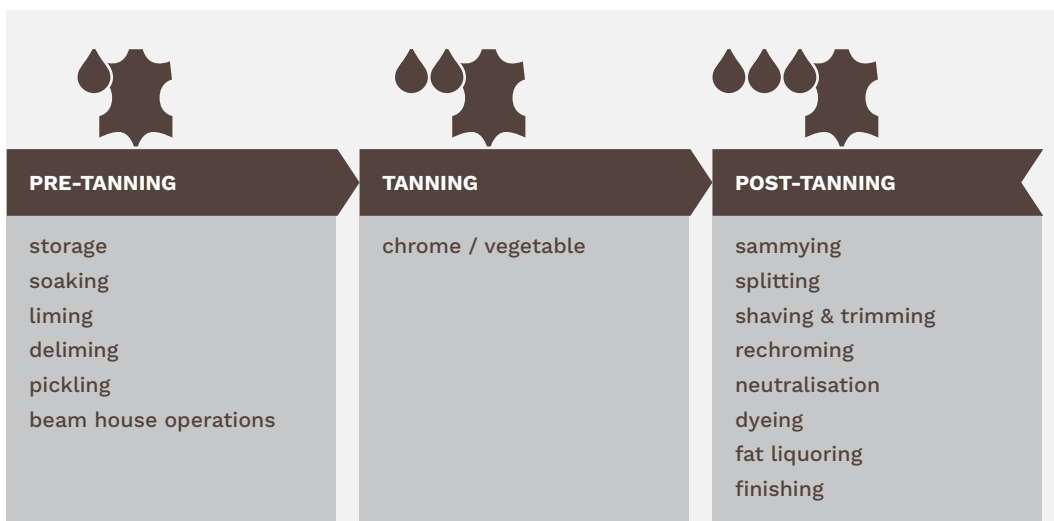


Figure 6. Processes of leather manufacturing

In the leather goods factories, designs are approved by buying companies. Workers then stitch together parts according to the overall design. The first step of this next process is pattern cutting, involving the cutting out of standardised shapes from the leather sheets. The next steps involve variously assembling parts of these shapes through processes referred to as “clicking” (cutting), “closing”, “lasting”, and “bottoming” (Figure 7).

Finishing operations are highly varied and contextual to the type of final product, and they form the last step of the process in the factory. Beyond this point lie the logistics chains that move the product till it reaches the retail fronts or increasingly the consumers directly.



Figure 7. Processes of leather goods manufacturing (in this case footwear)

4 The Tamil Nadu leather and footwear industry

The leather industry in Tamil Nadu state is one of the most significant contributors (around 40 to 50%) to India's leather products exports. With 60% of the country's tanning capacity, and producing half the national output of finished leather, Tamil Nadu is a critical site for research for policy-makers looking to improve conditions in the broader industry.¹⁷

Tamil Nadu has a large base of about 1,650 formally registered leather sector companies. Official estimates put the contribution of the industry in Tamil Nadu to around 2% of global leather production (Figure 8).¹⁸

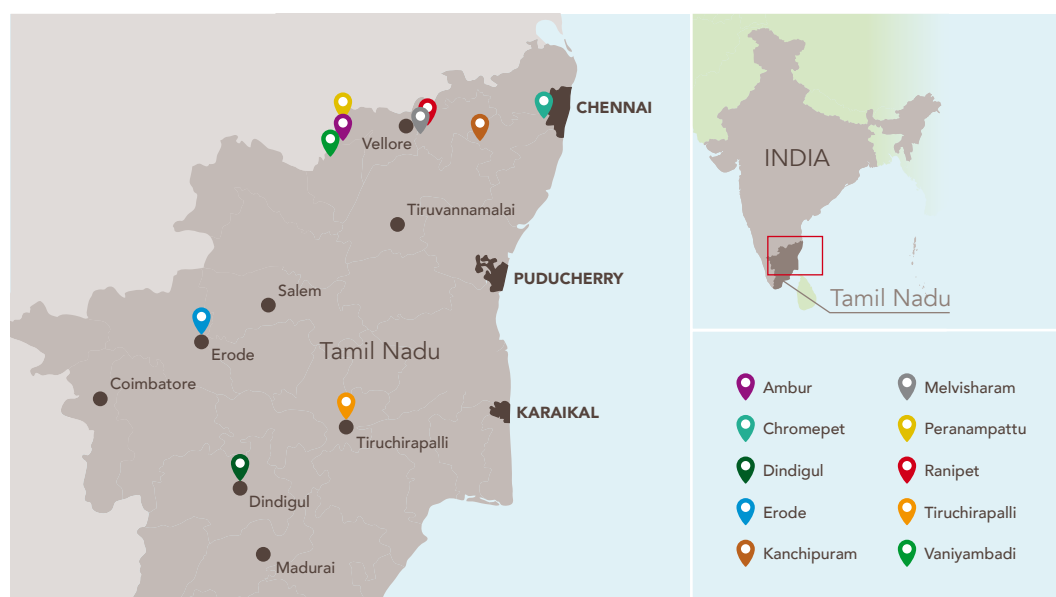


Figure 8. The Ambur cluster in relation to other leather clusters in the state of Tamil Nadu in India

Vellore district (undivided), including the new formed Ranipet and Tirupattur districts, has the highest number of tanneries in Tamil Nadu, a concentration of around 400 units in the five towns of Ambur, Melvisharam, Peranambattu, Ranipet, and Vaniyambadi. Chromepet, near the Tamil Nadu capital city of Chennai, is another major leather cluster, while Dindigul, Erode, and Tiruchirapalli are other towns in the state with a significant concentration of leather tanneries.

The tanneries and leather footwear industry of Vellore district (undivided) reportedly employ over 100,000 people directly, and another 250,000 people indirectly as informal workers or daily wage labourers engaged in logistics and transport. Although women are employed in large numbers in the footwear and leather goods manufacturing units, they have a smaller presence in the tanneries. Altogether, women constitute 25 to 35% of the total workforce in the leather sector in Tamil Nadu, which is similar to the industry-wide ratio in the rest of the country.¹⁹

In terms of tanning processes, chrome tanning is predominant in tanneries in Tamil Nadu, whereas only 30% of tanned leather is processed through the vegetable tanning or East India tanning method, which does not use chromium. Erode is the largest centre for wet-blue production in the state. While tanneries in Ambur, Dindigul, Trichy, and Vaniyambadi process goat or sheep skins, tanneries concentrated in Erode, Pallavaram, Peranambattu, and Ranipet mostly use cattle hides.

In terms of operational units, 700 active tanneries in Tamil Nadu were estimated in 2017; 497 units were identified as manufacturing shoe uppers and finished shoes, while another 698 units were classified as producing leather garments and other leather goods.²⁰



Items on display at a leather goods store in Ambur

5 The legal framework

It is important to review the legal matrix that applies to the leather sector in order to put our survey findings into context. Labour is a concurrent subject in India, which means that regulations on employment, working hours, social security, and freedom of association exist at both state and central government levels. At the central level, all major labour laws are being subsumed and streamlined into four codes: the Code on Wages (No. 29 of 2019), the Occupational Safety, Health and Working Conditions Code (No. 37 of 2020), the Code on Social Security (No. 36 of 2020), and the Industrial Relations Code (No. 35 of 2020).

Being a concurrent subject, the central codes will be implemented only as complementary and contextual state legislation is finalised on these areas. As the process of implementation is still underway, the older legal regime is still applicable to the leather industry. Here we lay out the extant regulatory matrix with the understanding that a large part of this jurisprudence will carry forward to the new regime of governance under the four labour codes.

Industrial Employment (Standing Orders) Act 1946

The Industrial Employment (Standing Orders) Act provides that employers must operate with clear terms of employment for all those working for them. Through an amendment in 2018, fixed-term employment is permitted, but this has to be through a written contract and on terms no less beneficial to fixed-term workers as compared to permanent workers.

Contract Labour Act 1970

The Contract Labour Act follows the International Labour Organization (ILO) principle of regulating usage of contract labour in the core activity of firms and thus reducing the dependence of businesses on a non-regular workforce. At central government level, the Act has not been amended recently, although since 2000 several states have made amendments to the applicable state Contract Labour Acts.

The objective of the law is to regulate engagement of contract labour. It applies to establishments employing 20 or more contract workers and to contractors employing 20 or more workers. The appropriate government (this could be the central or state government depending on the context) may decide to prohibit employment of contract labour by considering not only the conditions of work but also the benefits made available to the contract labourers. This law also mandates that principal employers should register their establishments and contractors should obtain licences before they become eligible to execute work through contract labour.

Factories Act 1948

The main objective of the Factories Act is to regulate working conditions in formally registered factories. The Act applies to factories employing 10 or more workers in a factory that uses electrical energy and 20 or more workers in a factory that does not use electrical energy. This law covers working hours, overtime, holidays, leave with pay, and the terms and conditions for employing women and adolescents. Section 85 of the Act empowers state governments to apply the provisions of the Act to any place carrying out manufacturing with or without the aid of electrical energy, even if it employs fewer than 10 workers. Leather tanneries are within the law's purview as they are listed under the relevant schedule of the state-specific law (Tamil Nadu) as hazardous industries.²¹

Minimum Wages Act 1948

The Minimum Wages Act seeks to ensure that workers receive a wage that allows them to meet the bare minimum needs of life. The Act requires the appropriate government (central or state) to fix the minimum rate of wages payable to workers in specified employment. The minimum wage is fixed by the state governments (above an overall benchmark set by the central government) for either the entire state, a part of the state, or any specified classes of establishments or any part thereof.

Fixed minimum wage rates are mandated for review at least once every five years. For example, in Tamil Nadu the statutory minimum wage for unskilled leather workers has been increased to INR 4,843 (EUR 56) a month, an increase of 24% from the previous wage.^{22,23} The minimum wage is meant to be a summation of the basic wage rate, cost of living allowance, and cash value of concessions, which is meant to periodically change to account for extant economic conditions.

Maternity Benefit Act 1961

The Maternity Benefit Act establishes maternity benefits as a right of all women who have worked for at least 80 days during the 12 months immediately prior to the date of their expected delivery. In April 2017, the maximum statutory period that a woman can take maternity leave was increased from 12 to 26 weeks, with the exception of women already having two children. This legislation also requires establishments employing 50 or more workers to provide crèche facilities for their women workers.

Similar to maternity benefits, states have also legislated to regulate employer-provided hostels and living conditions for working women therein (for example, the Tamil Nadu Hostels and Homes for Women and Children (Regulation) Act 2014).

Employees State Insurance Act 1948

The Employees State Insurance Act (ESI Act) seeks to extend social security benefits to workers in cases of sickness, maternity, and employment-related injuries, among others. The Act covers workers employed both directly and indirectly by the employer, but with effect from 1 January 2017 coverage has been limited to employees whose monthly remuneration is below INR 21,000 (EUR 243) which is well within the range of minimum wages in the leather sector in Tamil Nadu.

The ESI Act covers factories as defined under the Factories Act and allows for state governments to extend the application of the legislation to any other establishment or class of establishments (including industrial, commercial, and agricultural) after securing central government consent. The ESI Corporation scheme, established by the Act, is contributory in nature; that is, workers contribute to cover the expenses incurred by the scheme alongside the government.

Employees Provident Funds and Miscellaneous Provisions Act 1952

The objective of the Employees Provident Funds and Miscellaneous Provisions Act (EPF Act) is to provide financial independence for retired workers. The Act provides for two modes of regulation: for exempted establishments and for non-exempted establishments. Exempted establishments are allowed to independently administer the related schemes provided under the Act, while non-exempted establishments are required to be monitored by the EPF Organisation (EPFO). The EPF scheme is contributory in nature.

Employees' Compensation Act 1923

The Employees' Compensation Act enables an employee and their dependants to get compensation from their employer for injuries caused by accident or occupational disease during the course of employment.

Unorganised Workers' Social Security Act 2008

The objective of the Unorganised Workers' Social Security Act is to extend social security benefits to workers in the unorganised sector on matters relating to life and disability cover, health and maternity benefits, and old age protection.

The "unorganised sector" refers to informal workplaces that are engaged in the production or sale of goods or services of any kind and employ fewer than 10 workers. The definition of "unorganised worker" includes home-based and self-employed workers.

The Trade Unions Act 1926

The main objectives of the Trade Unions Act are to (a) provide legal status and identity to registered trade unions; (b) provide for immunity from civil and criminal liabilities for the personnel of registered trade unions while conducting bona fide trade union activities; and (c) regulate and prescribe modalities and rules for the functioning of trade unions.

The Industrial Disputes Act 1947

The main objective of the Industrial Disputes Act is to regulate the workplace actions of employers and workers to ensure industrial peace. It provides a framework for the prevention or resolution of industrial disputes (individual or collective) through (a) constitution of works committees; (b) conciliation through an officer or board; (c) constitution of courts of inquiry, labour courts, and tribunals; and (d) collective bargaining and voluntary arbitration.

Under the Act, all employers of more than 100 workers are required to set up a works committee, with members representing in equal numbers employees and the employer.

6 Conditions in the shoe factories

This section presents findings on workers' circumstances and experiences in the five export-oriented shoe factories selected for this study. The findings are based on interviews conducted with the workers from these factories across the Ambur leather cluster. All five factories covered by the study were part of large industrial groups specialising in the production of leather and leather goods. These groups have vertically integrated production facilities with multiple units across several districts of Tamil Nadu for producing leather, shoe uppers, and finished products.

According to the workers and trade union representatives we interviewed, each of these factories has 1,000 to 6,000 workers across different production units in Ambur. However, it was not possible to ascertain the actual number of the workforce in the factories.



Shoe factory workers on their way to work

6.1 Profile of surveyed workers

For our research into working conditions in shoe factories, the total sample of workers comprised 30 people with an average age of 34.3 years. Most of these workers, 23 of the 30, were women.

In terms of religious belief, 12 of the respondents were Muslims and 18 were Hindus. We noted in the literature review that the workforce in the leather industry has traditionally been defined by caste location. This is confirmed in the demographic profile of our sample, with all Hindu and Muslim respondents identifying themselves as belonging to a “depressed” class.

Among the Hindu workers, 15 out of the 18 respondents identified as belonging to a scheduled caste (also known as Dalits). Two identified as belonging to a “backward” community and one as a member of a “most backward” community (according to the government’s classifications). Among the Muslim workers, all 12 respondents identified as members of a “backward” community, while five mentioned that they belonged to the Deccani Labbai caste.

Workers mostly said they were educated to secondary school or high secondary school level. Only three of the respondents reported having received formal education beyond higher secondary level such as a bachelor’s degree or a diploma.

6.2 Workplace roles

A majority of workers in our shoe factory sample (21 out of 30) reported that they were broadly permanent workers when asked about the nature of their engagement. Close to half the respondents (14) said they had been working at their present workplace for fewer than two years. Eight replied that they had been engaged for more than five years at their workplace. Only one worker reported having been engaged for more than 10 years.

In terms of workplace roles, the most common job types workers reported were helpers (sole-pasting, brushing, cleaning, and finishing tasks) (7 out of 30); labourers (cutting, sorting, die-casting, and fitting tasks) (7 out of 30), and job workers (stitching) (2 out of 30). Other major roles in the workplace mentioned were those of leather cutting operator, machine operator, skiving operator, attacher, supervisor, and electrician.

The literature review on previous studies in the leather sector shows that gendering of tasks may be present in workplaces; machine operations are performed by men, while more menial tasks of moving materials around are performed by women. However, in our survey of shoe workers, respondents did not mention any gender-based assignment of tasks.

Interviews with trade union representatives nevertheless indicate some level of gender-based segregation of workers in the shoe factories. One of the trade union respondents mentioned that, although shoe factories engage a large number of female workers, they are mostly taken on as unskilled or semi-skilled workers or helpers. Specialised and skilled tasks such as cutting, clicking, and machine operations are always allocated to male workers, they said. The only exception to this was the role of stitchers, who are considered skilled workers irrespective of their gender.

6.3 Access to work and employment documentation

In terms of access to work, there seems to be a fairly open process as reported by the shoe factory respondents. Just under half of the surveyed workers (14 out of 30) had found their current job through walk-in interviews, while about 36% had found their job through a friend or relative’s help. Only one worker in the sample reported using the services of a labour contractor to find their current job. And only one reported having been given a job on humanitarian grounds – that is, replacing a parent who had worked earlier in the same role.

As to written contractual terms of engagement, three documents are most commonly used: a letter of appointment or contract letter; a company identification (ID) card; and payslips. Only six workers (20%) in the sample reported having all three documents relating to their job. All six were among those who said their employment was permanent. Another 13 permanent workers (43% of the sample) reported having two of the three documents, namely a company ID card and payslips. Three workers had one of either an ID card or a payslip, while eight reported having no documentation (Figure 9).

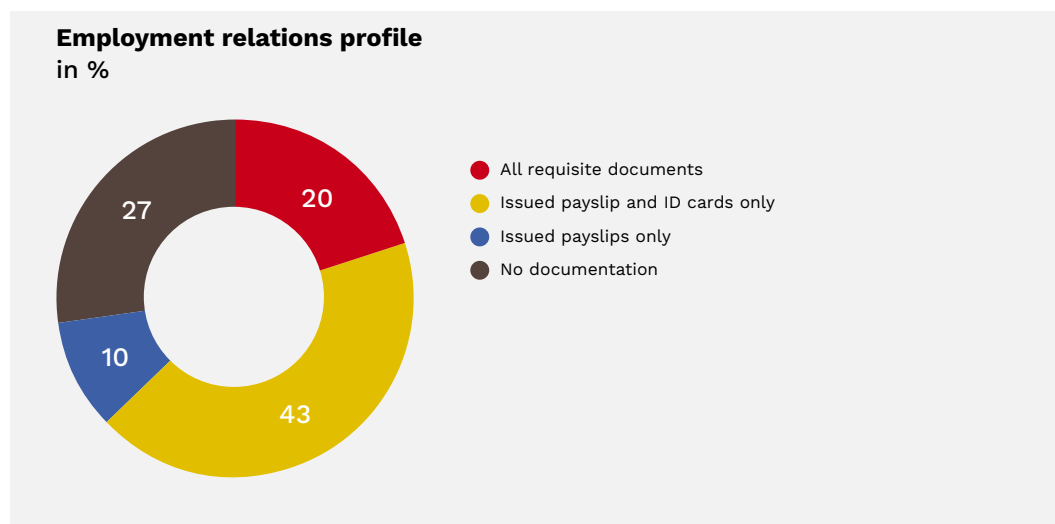


Figure 9. Employment documentation held by shoe factory workers (percentages of sample)

The fact that nearly a quarter of the sample of shoe factory workers had no documentation points to the scope for improvement. It is significant that the workers who reported having no documents had also reported their status as temporary earlier in the survey.

The two trade union representatives interviewed for the study also raised concerns regarding workers' lack of proof of employment. Companies do not follow standard procedures to regularise the employment of workers. Workers incorrectly assume that they become permanent workers if they are provided with ID cards. One trade union respondent mentioned that only skilled workers who are indispensable are given permanent worker status, while the bulk of the workers in semi-skilled and unskilled categories are only casual workers.

6.4 Wages and social security

With regard to wages, there was an overwhelming response from 29 shoe factory workers that their current wages do not cover their needs, including both essential household expenses and discretionary spending. Most workers (26 out of 30) reported that pay was disbursed at monthly intervals, while four temporary workers reported being paid weekly.

Considerable variation in wages earned was reported: from below INR 6,000 (EUR 69) per month to above INR 12,000 (EUR 138), with most workers taking home between INR 8,000 and 9,999 (EUR 92 and 115) per month (Figure 10). This is perhaps not surprising, considering the wide mix of work roles that workers reported.

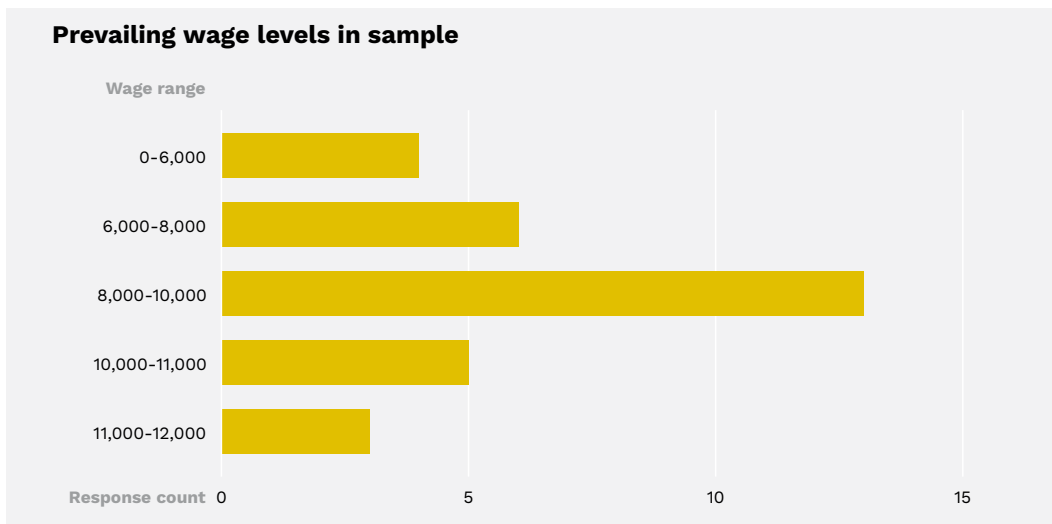


Figure 10. Breakdown of wage levels among shoe factory workers in sample

The minimum wage under the relevant state law in Tamil Nadu (revised in June 2021) was INR 9,103 (EUR 105) in September 2021 for the lowest-paid category of workers, the unskilled. This indicates that more than half of the workers interviewed (16 out of 30) received wages less than the legal minimum for the sector. Nine of these workers said they were permanent workers.

None of the respondents received wages anywhere close to living wages as advocated by the Asia Floor Wage Alliance, whose recommended figure for India in 2020 was INR 29,393 per month (EUR 339) and in 2022 stands at INR 33,920 (EUR 392).²⁴

Analysis of these wages by gender indicates a likely gender pay gap. Of the 16 respondents who said they received less than the legal minimum wage, 14 were female workers. And of the seven male workers interviewed for the study, at least five reported receiving monthly wages at the level of INR 10,000 (EUR 115) and above. By contrast, only two of the 23 women workers said they were paid INR 10,000 and above. These data indicate that male workers may receive higher pay on average, despite their proportion in the shoe factory workforce being low.

“I joined the company six months ago, as a helper in the upper division. This is my first job. I had to start working, as my husband lost his job in a tannery during the Covid-19 lockdown period. I have to work all 30 days a month to earn INR 6,000 to 6,500. As a temporary worker I am paid only for the days I go to work. Despite working without taking leave, my wage is not sufficient. I am pregnant now, and I will have to leave the job in another six months. I do not know how we will manage the household expenses as my husband is also not working” – Female Ambur shoe factory worker, aged 21.

Our next step was to seek to understand respondents’ expectations of the level of wages needed to sustain a decent living standard. Eighteen workers mentioned that INR 10,000 to 12,000 (EUR 115 to 139) would be sufficient; 11 workers mentioned a range of INR 15,000 (EUR 173) and above as required to maintain a decent living standard. It is clear that the majority of shoe factory workers in our sample cannot make a decent living with the wages they are receiving now.

Both the union representatives interviewed for the study mentioned that low wages are the major issue in the leather and leather footwear sector. One of them said many factories do not pay the minimum wage rates revised by the Tamil Nadu government in June 2021. The other said factories comply with the minimum wage requirement only in the case of skilled workers, while other categories of workers employed as casual labourers are paid below the legal minimum.

We also sought to understand the protective social security cover provided by statutory rights to healthcare and pensions. Of the 21 permanent workers in our sample, every respondent reported having access to schemes under the central government's Employee State Insurance Corporation and Employee Provident Fund. Of these, 20 workers said monthly deductions were made in the form of scheme contributions.

Social security benefits do not seem to extend to temporary workers, however, as none of the nine temporary workers in our sample responded affirmatively to this question. These findings highlight the exclusion of temporary workers from key social safety nets.

6.5 Non-statutory benefits, working hours, leave, overtime, and production targets

More than half the shoe factory workers in our sample (16 out of 30) reported receiving yearly bonuses as part of their pay. Four workers mentioned that free transportation to the workplace was provided. Two workers also reported loans or advances being provided for personal expenses such as children's education, home repairs, or weddings. These advances are repaid through deductions from workers' monthly pay. Again, these benefits seemed to accrue mostly to workers with permanent status, and only one temporary worker reported receiving a bonus.

The most common production schedule seemed to be organised around a single working shift (22 out of 30 respondents), while double (5 respondents) and triple shifts (3 respondents) were less common but still significant. In terms of working hours, most respondents reported a six-day work week (29 out of 30) with an eight-hour workday (26 out of 30). There were mentions of work scheduled on weekly off-days as well; 12 workers said they had worked on a Sunday in the previous three months, of whom nine had reported their status as permanent workers.

“We cannot avail leave when we need. As permanent workers, they say we are eligible for two days of leave in a month. But I have never used the leave. If I take a day off without informing the management, they will scold me and force me to take leave for two to three days more. They will not pay me for these days of absence. If we ask for leave in advance, they will not respond properly. It is very embarrassing to keep waiting, and very hard to avail leave even if one is sick. I have never seen a worker getting paid leave in my company” – Male Ambur shoe factory worker, aged 30.

Access to paid leave was rare within our sample. Only six workers responded affirmatively to our question on paid leave, reporting one or two days of paid leave per month. Nine workers reported that it was easier to access unpaid leave for emergencies such as health issues. Some workers described punitive measures in response to leave requests, including verbal harassment, workplace bullying, wage deductions, and removal from the workplace. Only four workers said they could take paid leave for emergencies at their own discretion.

The incidence of overtime work was commonly reported by workers in our sample. Most workers (22 out of 30) mentioned doing some form of overtime, while 16 reported the presence of regular overtime (Figure 11). The amount of overtime mentioned varied significantly among the surveyed workers, ranging from one hour to 24 hours weekly (Figure 12).

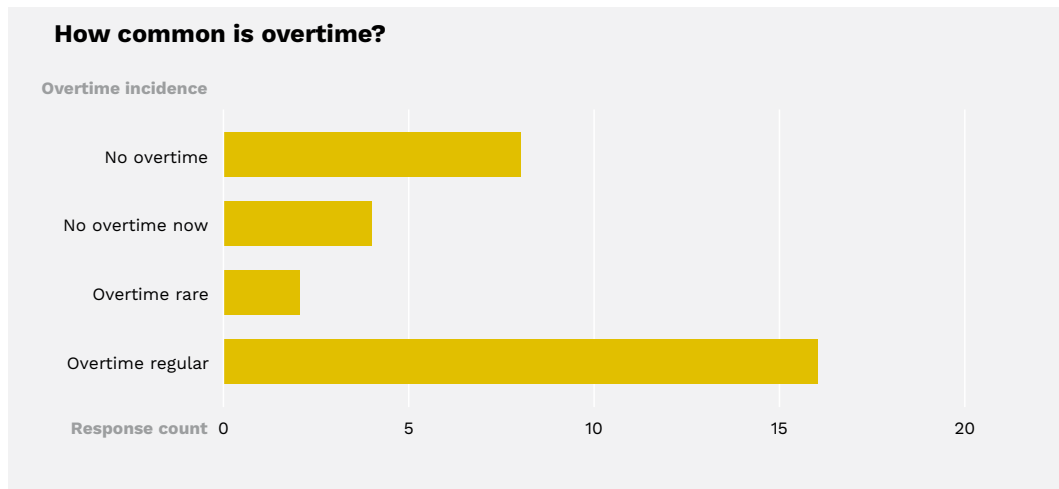


Figure 11. Workers' experience of the incidence of overtime work

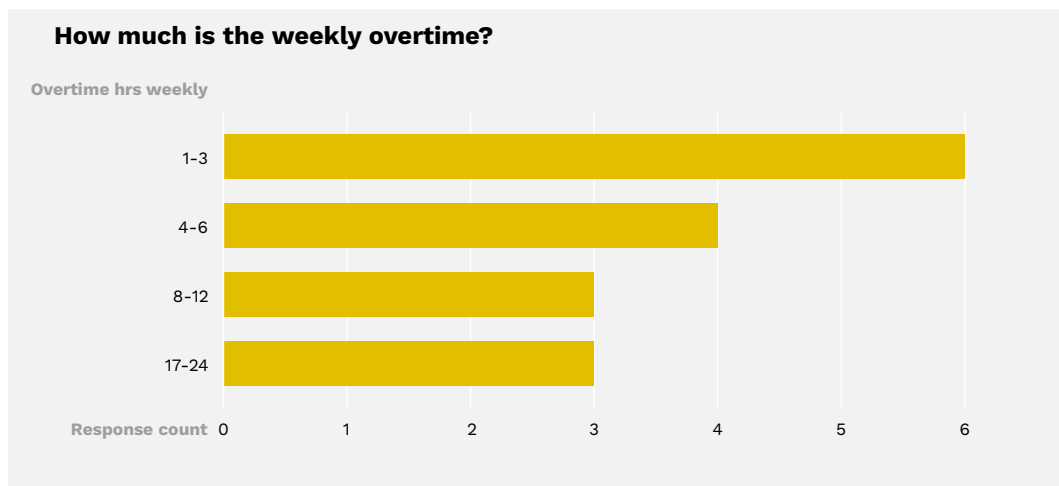


Figure 12. Weekly overtime hours mentioned by shoe factory workers who reported overtime

Seven female workers reported mandatory overtime, of whom two reported punitive measures for refusal. One worker in a supervisory role said she was expected to enforce overtime work discipline through such measures. Fifteen workers said overtime was not mandatory. There were incidences of non-payment of legally mandated wages for overtime. While 14 respondents said they were paid double their usual hourly rate for overtime, seven said they were paid only at their usual hourly rate.

Production targets were mentioned by most interviewed shoe factory workers (27 out of 30). Only three male workers said they were not given production targets. Twelve workers in the sample reported disciplinary action when production targets are not met, which was commonly being asked to work extra hours (6 workers), while two mentioned verbal harassment and threats of dismissal.

These findings from the survey regarding the difficulty of meeting production targets and related disciplinary action are corroborated by findings by the Arisa team on their field visit to Ambur in March 2022. A change to a moving conveyor belt system in factories was reported by many as a significant challenge in meeting production targets.

“They increase the speed of the conveyor belts during peak production months. It is very difficult for us to take toilet breaks when that happens. When we are asked to work on Sundays, we will be asked to finish lunch within 10 minutes. Instead, we skip lunch and continue our work. Sometimes workers also faint due to low blood pressure” – Female Ambur shoe factory worker, aged 36

Production targets were said by most workers (19 out of the 27 who mentioned targets) to be variable. High targets were reported during the product shipment phase and while completing export orders (mentioned by 11 out of 27 workers), with certain months of high demand (August to October, November and December, and February to April) (6 out of 27 workers), as well as at the end of the week (2 out of 27).

One of the trade union respondents also confirmed the prevalence of high production targets in recent times, especially following the Covid-19 lockdown. He mentioned that the workers are discouraged from going home unless they hit the target for the day. This results in working hours increasing to 10 to 12 hours per day, which is often not treated as overtime.

6.6 Child labour

All the shoe factory respondents reported that the factory checked their age before bringing them into the workforce, and this involved checking their unique Aadhaar ID number.²⁵ None of the workers reported incidences of child labour. While this clean bill of health regarding child labour should not be interpreted as necessarily representative of the industry, it may be a sign of progress.

6.7 Workplace discrimination and maternity benefits

In this subsection, we focus on discrimination, how it is perceived, and its manifestations in the workplace. Twelve shoe factory workers, comprising nine women and three men, said they had faced verbal harassment at the workplace. Two female workers reported physical punishment as a disciplinary process, such as being made to stand outside the premises. None of the respondents said they had personal experience of sexual harassment at the workplace.

Interviews with trade union representatives confirmed the high prevalence of verbal abuse in the factories. One said that verbal abuse is part of the culture in some factories, where harassment of workers and high production targets go hand in hand. Moreover, the union respondents mentioned that sexual exploitation takes place at workplaces but is not reported due to fear and stigma.

While most workers had to report to men who were their immediate supervisors (18 out of 30), a significant number reported to female supervisors or to a combination of the two (12 out of 30). Half the sample (15 out of 30) agreed with the suggestion that women face more difficulty in reaching supervisory positions than men.

Both union respondents mentioned that factories nowadays deploy some female supervisors. However, one of them said this does not make a major difference in the workplace, because the female supervisors are as abusive as their male counterparts and uncritically represent the attitudes of the management towards workers.



Female shoe factory workers commuting home after work

Two female workers reported discrimination because of their caste position, and workers generally indicated that subtle preferential treatment was meted out on religious lines. One of the trade union respondents considered that caste-based discrimination was not seen inside the factories, although he thought that some workers perceive religious discrimination in the workplace.

Turning to maternity benefits, out of 23 women respondents, 14 who regarded themselves as permanent reported that maternity leave was available to female workers. While 2 permanent workers could not specify whether the benefit was available to them, all 7 female non-permanent workers said that maternity benefits were not extended to temporary workers. This indicates the non-availability of maternity leaves to a large segment of female workers who are employed on a temporary basis in the shoe factories.

“The auditors visit the factory at least twice a year. Our supervisor informs us about them in advance. They will pick three workers and tell them how to respond to

questions. We will be asked to say that we are not forced to do overtime. We will be asked to wear masks and safety shoes when audits happen. The temporary workers will be asked not to report to work during the week that audits happen” – Female Ambur shoe factory worker, aged 32.

Of the 14 female respondents for whom maternity benefits were available, eight respondents noted that six months’ maternity leave was available, of which three months were paid for by the employer and three months were paid for by the ESIC. Five of them said they had only three months of maternity leave, paid for by the company, while one worker was not aware of the exact number of months the company policy entitled expectant mothers to.

Regarding access to crèche (childcare) facilities in the workplace, most female workers (17 out of 23) responded in the negative, while five reported the availability of crèches. One female respondent was not aware of the presence of crèche in her workplace. These findings indicate not only the violation of local laws regarding maternity benefits and childcare but also the general lack of gender-sensitive policies in workplaces.

Our final question concerning maternity benefits attempted to understand women workers’ attitudes towards continuing work after childbearing. Here the response was mixed; 13 out of 23 workers said they would like to continue working after giving birth, two said this would not be desirable, and eight mentioned that they were not aware of general attitudes towards work post-maternity.

6.8 Grievance redress mechanisms, audits, and freedom of association

Most workers in our shoe factory sample (24 out of 30) were aware of some form of grievance redress mechanism, formal or informal. Only six workers either said they were not aware of any grievance redress mechanism or did not respond to this question. Deeper questioning revealed that workers frequently rely on the immediate management hierarchy to resolve their issues. Fifteen workers said they would approach their supervisor in such cases; four reported that they would usually approach their line manager; and two mentioned their team leader as their nodal person for grievances. Only one worker mentioned approaching the works committee as a suitable step.

When asked about the presence of statutory committees, 11 workers mentioned a committee (works committee, safety committee, internal complaints committee, and canteen committee were mentioned), while the majority (19 workers) either did not know about such committees or said there were none at their workplace. These committees are set up in accordance with the legal requirements operating for labour with an expectation that they would provide a legitimate feedback mechanism for workers to provide their needs and expectations around various processes to the management.

Of those who responded affirmatively about the presence of statutory committees, only five workers thought these committees have sufficient representation of workers; two responded in the negative; and four were not aware of the composition of the committees. As to the functioning of workplace internal complaints committees set up under the legislation to prevent sexual harassment, 15 workers said that they had not heard of any such committee, while the other 15 had heard of an internal complaints committee but had never used the mechanism to raise complaints.

On a related note, only eight workers in our sample had attended training related to preventing sexual harassment.

Overall attitudes towards grievance redress mechanisms were positive, with 18 out of 30 shoe factory workers in the sample mentioning they felt comfortable sharing their concerns. At the same time, only six of these 18 reported being satisfied with the outcomes of the grievance redress process. And only two workers reported being able to approach local trade unions with their grievances. This demonstrates that there are expectations from the workers as well as legal requirements that the current processes are unable to adequately meet.

Social audits are a way for retail brands and buyers to understand the impact of processes within their supply chain, including matters raised as workplace grievances. These audits happen at the workplace under the aegis of brand representatives or audit teams. Most workers in the shoe factory sample (27 out of 30) reported social audits being conducted, and a sizeable majority (22) confirmed that the audit teams interact with workers. However, only 10 workers reported that the social audit was a preferred route for expressing their grievances. There are challenges involved in audits, with workers not having the right incentives to report accurately under the scrutiny of management.

“The auditors visit the factory at least twice a year. Our supervisor informs us about them in advance. They will pick three workers and tell them how to respond to questions. We will be asked to say that we are not forced to do overtime. We will be asked to wear masks and safety shoes when audits happen. The temporary workers will be asked not to report to work during the week that audits happen” – Female Ambur shoe factory worker, aged 32.

We also attempted to understand the extent to which freedom of association was realised in the sampled shoe factories. Here the survey results were dismal. Most respondents were not aware of the presence of trade unions at their workplace (23 out of 30), although six workers – all from the same workplace – mentioned the presence of a union. Only two workers reported being members of a union.

Most respondents (20 out of 30) noted that employers discouraged freedom of association activities, particularly on the workplace premises. This clearly reduced the voice of workers in wage negotiations, because only four workers responded affirmatively to the question of whether workers or their representative organisations were involved in the fixing of wages.

“There are no unions in my company. The management will fire me if they get to know that I get in touch with any union outside. However, we have a committee in our company and INR 3 [EUR 0.03] is deducted from my wages for this. But I do not know much about it. For any issues within the company, we can only approach our supervisors” – Female Ambur shoe factory worker, aged 36.

Interviews with trade union respondents revealed that some factories in the region have management-sponsored unions. One of them said that many workers are not aware of being members of these unions. Workers are made to sign up for union membership and statutory committees without the management providing them with adequate information.

6.9 Occupational health and safety

As part of the survey, we sought information on occupational health and safety standards in shoe factories.

Half the respondents (15 out of 30) said they handled chemicals at the workplace. Substances they mentioned included pasting gels, latex adhesives, SP6 abrasive blast cleaners, glue, thinners, solvents (MM, methyl ethyl ketone/MEK), and various colouring agents. Twelve respondents noted that they operated workplace equipment or machinery.

In spite of the use of both chemicals and machinery on the shop floor, only 11 workers reported being trained to handle chemicals and operate machinery. Most workers (29 out of 30) reported receiving some form of employer-provided personal protective equipment (PPE) and using this regularly (25 out of 30). However, for most respondents, PPE comprised only masks (22) and hand gloves (18), and the use of other PPE was low among the workers (Figure 13).

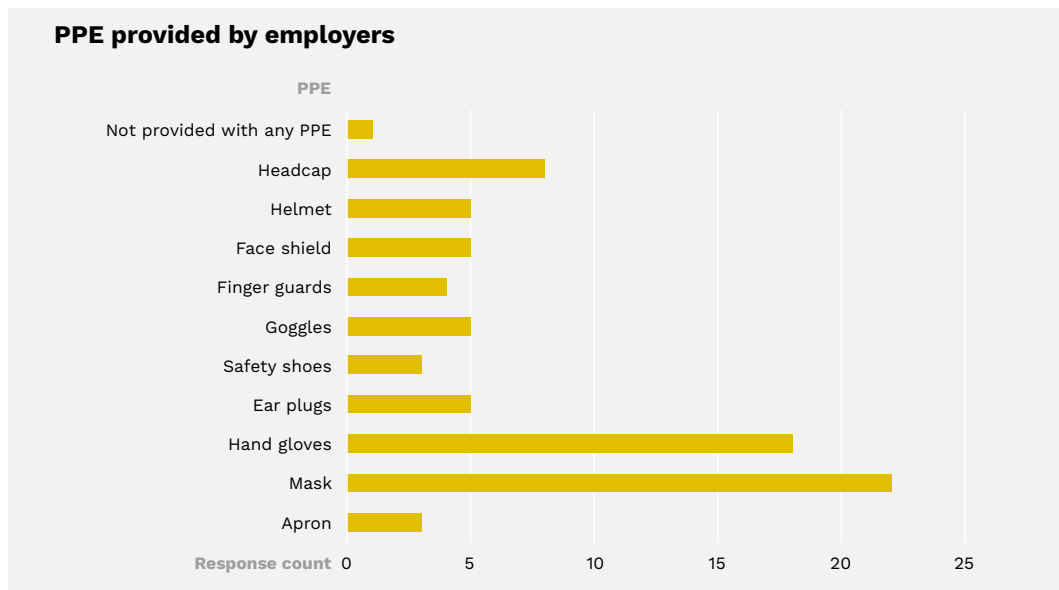


Figure 13. Types of PPE provided by employers to shoe factory workers

In terms of incidents, nine workers responded that they had heard of equipment-induced injury to colleagues. Twenty-four workers mentioned regular health issues they faced, of which the most common were pain in their joints and legs from long hours spent standing (16 out of 30) and lower back pain from long non-ergonomic sitting hours on the shop floor (15 out of 30). Other skin and respiratory ailments were reported without any discernible pattern. These answers reveal the significant need for employers to ensure workplaces are safe, healthy, and protective for all workers.

Workers are entitled to various occupational health and safety (OHS) measures under both the national and the state labour law frameworks as well as through company policy. Figure 14 gives a breakdown of how respondents reported workplace health and safety provision.

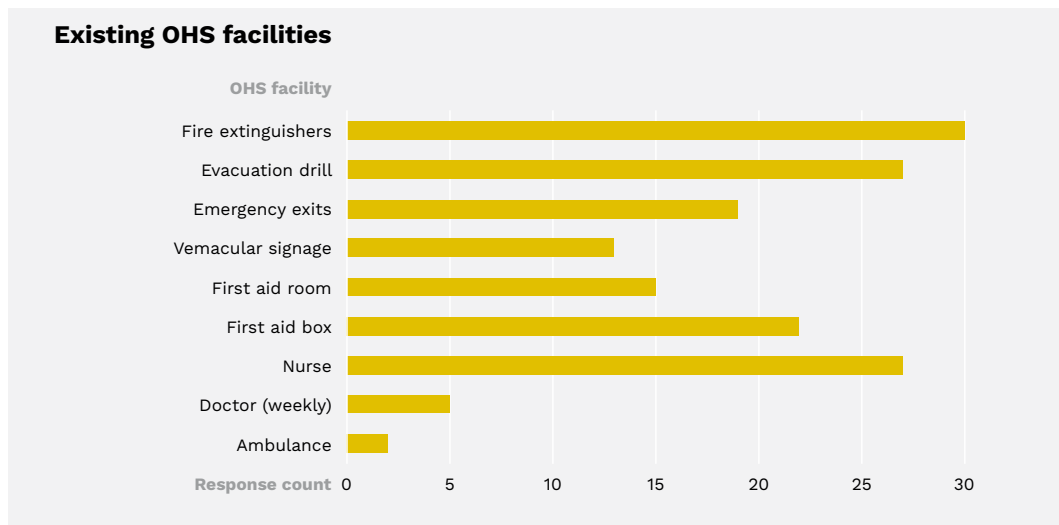


Figure 14: Occupational health and safety (OHS) provision as reported by shoe factory workers

Our questions regarding toilets, drinking water, and canteens drew answers that demonstrate a common satisfactory benchmark. Most respondents said toilets were available and clean (29 out of 30); there was provision of separate toilets for women (30 out of 30); and clean drinking water (30 out of 30) and canteen food of decent quality (21 out of 30) were available.

6.10 Measures taken during the Covid-19 pandemic

We sought to understand how well the shoe factories were equipped to handle a return to work between various waves of the Covid-19 pandemic. All the surveyed shoe workers reported feeling safe to continue work at their workplaces. Most reported positively on the important Covid-19 protocol trinity of handwashing facilities (28 out of 30), mandatory face masks (30), and screening of body temperature (29). Other supporting processes such as social distancing norms (14 out of 30), vaccination campaigns (5), and paid leave for vaccination (3) were markedly less common.

7. Conditions in the tanneries

This section presents our findings on workers' circumstances and experiences in tanneries across the Ambur leather cluster. The findings are based on interviews conducted with 31 workers from five export-oriented tanneries that are directly connected to shoe factories.



Leather processing at a tannery

7.1 Profile of surveyed workers

Our total sample size of tannery workers that we interviewed was 31, with an average age of 42.9 years. Most of the tannery workers we surveyed were men (30 out of 31). This is a significant point of difference from the shoe factories. For tanneries, we do not have a reason to interpret this gender split as necessarily representative of the workplace or the geographical cluster.

In terms of religious belief, the sample comprised 26 respondents identified with the Hindu faith and five who identified with the Christian faith. Twenty-nine respondents belonged to a scheduled caste community, while one identified as a “backward class” community member, and one was from the Brahmin community (usually considered the highest, caste). Workers mostly reported themselves as upper-primary school or secondary school educated, with only two of the 31 respondents saying they had received formal education at or beyond higher secondary level.

7.2 Workplace roles

A majority of workers in the tannery sample (23 out of 31) considered themselves broadly permanent workers when asked about the nature of their engagement, with eight considering themselves temporary workers. The bulk of the tannery workers was also highly experienced. Close to 61% of respondents (19 out of 31) said they had been working at their present workplace for more than 10 years. Eight respondents said they had been engaged for five to 10 years at their workplace. Only one worker reported having been engaged for less than a year.

In terms of workplace roles, some gender-based assignment of tasks was mentioned by respondents. The two most common job types reported were (a) helpers (those who mostly assist operators by moving around the raw materials and doing other similar tasks) (10 out of 31) and (b) operators (those tasked with controlling and using machines in the workplace) (17 out of 31). Two workers reported their roles as drummers (operators of leather tanning drums), while one reported being in charge of the chemical warehouse and the other worker described their role as being a measurement worker. The sole woman in the sample set was engaged as a helper.

Our literature review of previous studies on the leather sector has shown that gendering of tasks may be present in workplaces. Machine operations are usually performed by men, while more menial tasks of moving materials around are performed by women. The survey interviews with workers and with trade union respondents confirmed this. While the majority of the worker respondents (19) mentioned that female workers are not engaged in their tanneries, 12 respondents confirmed the presence of female workers in the tanneries. Almost all these 12 respondents said female workers are deployed only for cleaning and housekeeping tasks. Only three respondents (including the sole female respondent), all working for the same tannery, mentioned that female workers are also engaged in operating auto-spray machines.

One of the union respondents interviewed for the study also confirmed the presence of gender segregation in tanneries. He said that older women workers are employed in tanneries only for tasks such as removing hair from pickled skins and hides, drying leather, and sweeping.

7.3 Workers' perspectives on the leather value chain

Our questionnaire for tannery workers included questions seeking to situate the tanneries in the value chain and to gain an overview of the geographical interlinkages in the supply chains. In terms of the types of tannery where respondents worked, most tanneries were engaged in only one phase of the tanning process – that is, processing “wet blues” into finished leather (20 respondents). End-to-end tanneries were relatively less common (10 respondents).

As to geographical linkages, Figure 15 provides an overview of where workers in our sample thought the raw hides their tannery used as input for production were transported from. Figure 16 shows the geographical spread of destinations to which workers thought the outputs of the tanneries were sent.

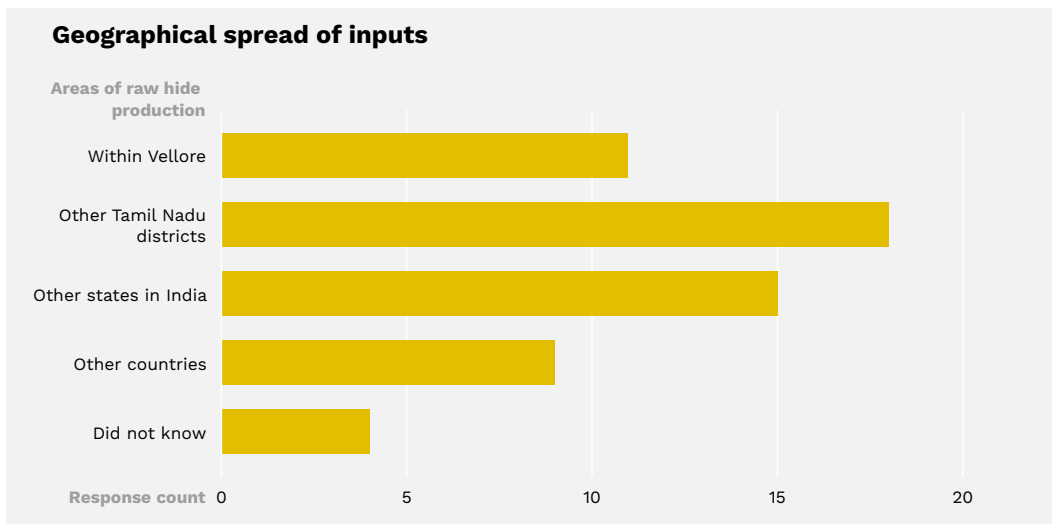


Figure 15. Geographical sources of raw hide inputs, as per workers' knowledge

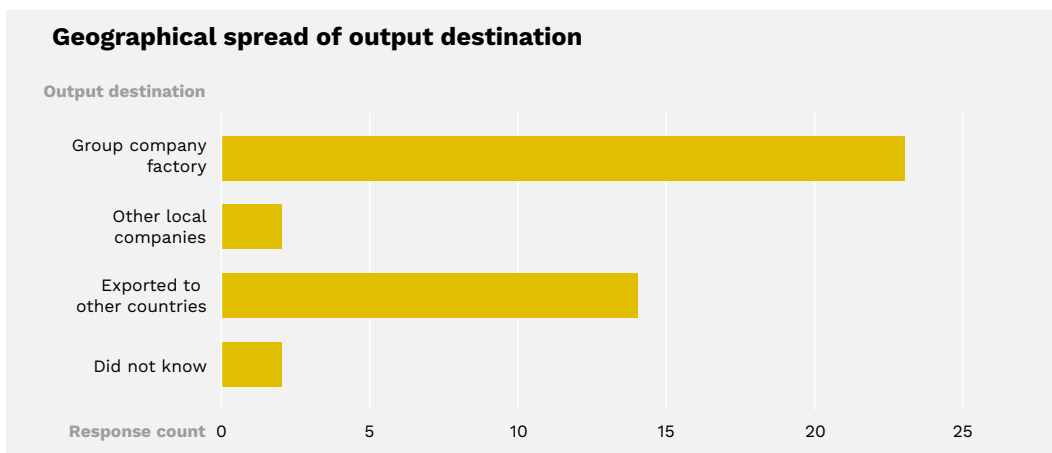


Figure 16. Geographical destinations of tannery production, as per workers' knowledge output

7.4 Access to work and employment documentation

Regarding how they had obtained work, the tannery respondents gave a mixture of answers. Only around 13% of the surveyed workers (4 out of 31) had found their current job through walk-in interviews, while about 71% (22 out of 31) had found their job through a friend or relative's help. Only two workers in the sample reported using the services of a labour contractor to find their current job.

In terms of written contractual terms of engagement, we again consider the availability of three commonly used documents: letters of appointment or contract letters; company identification (ID) cards; and payslips. None of the tannery respondents reported receiving an appointment letter or contract letter from their employer. Only eight workers (around 26% of the sample) mentioned having company ID cards as well as payslips. Another eight workers reported having only a payslip, while 15 said they had no documentation. Significantly, none of the eight temporary workers had workplace documents.

7.5 Wages and social security

The majority of tannery workers in the survey (30 out of 31) reported being paid monthly, while one worker said they were paid fortnightly. Six workers mentioned delays in the monthly cycle during the pandemic period. There was an overwhelming response from 29 out of 31 workers that their current wages do not cover their needs, including essential household items and some discretionary spending. There was considerable variation in wages earned, from around INR 6,000 to around INR 12,000 (EUR 69 to 138) per month, with average monthly pay being INR 9,041 (EUR 104)(Figure 17).

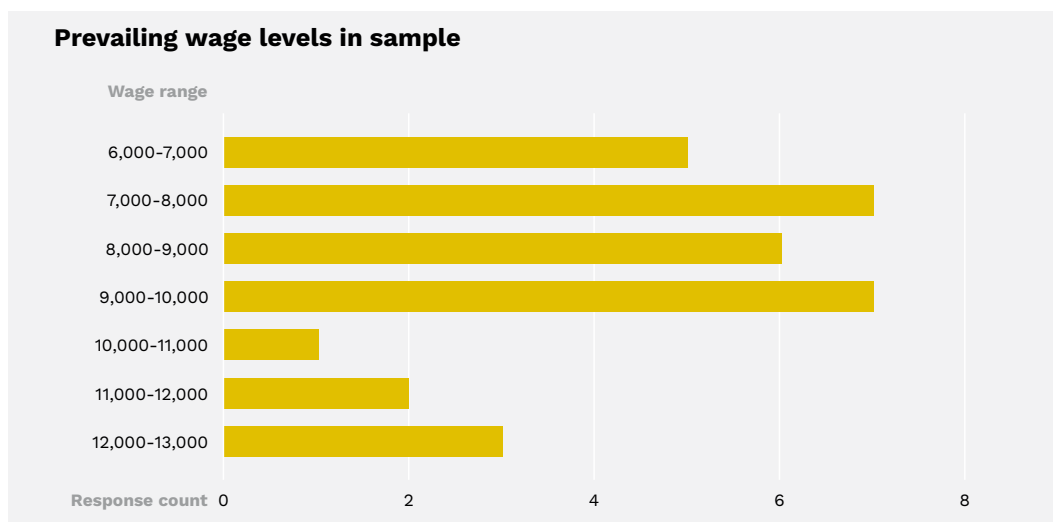


Figure 17 Wage levels among the sample of tannery workers

The minimum monthly wage under the relevant state law in Tamil Nadu was INR 8,229 (EUR 95) (for September 2021) for the lowest bracket of unskilled tannery worker. By comparison, the monthly wages received by respondents indicate that a third of the workers in our survey (10 out of 31), including the sole female respondent, were receiving wages below the legal minimum. Three of these underpaid workers were permanent workers. Among these 10 workers who received less than the legal minimum wage, four had over 10 years of experience in the same company.

None of the respondents received wages anywhere close to living wages as advocated by the Asia Floor Wage Alliance, whose recommended figure for India in 2020 was INR 29,393 per month (EUR 339) and in 2022 stands at INR 33,920 (EUR 392).²⁶

In terms of the existence of a gender pay gap, while most workers (19 out of 31) responded that no women were present in their workplace, and eight workers thought there was no such pay gap, four workers believed there was a gap between men's and women's wages. The average wage range for female workers was reported as INR 5,500 to 12,000 (EUR 64 to 139) while for men it was INR 7,000 to 15,000 (EUR 81 to 173).

As with the shoe factory workers (section 6), we sought to understand respondents' expectations of the level of wages to sustain a decent living standard. Nineteen workers considered that INR 13,000 to 15,000 (EUR 150 to 173) would be sufficient, and eight mentioned a range of INR 18,000 to 20,000 (EUR 208 to 231).

“I have been working in this company for 22 years, but my salary is only INR 9,000 [EUR 104] per month. If I get OT [overtime], I will make a few extra thousands. So I never say no to working overtime or working on Sundays when I am asked to. My sons are not in regular jobs, so my family is dependent on my salary. But things have gone bad after Covid-19” –Male Ambur tannery worker, aged 54.

Again, we also sought to understand the protective social security cover provided by statutory rights to healthcare and pensions. Of the 23 permanent workers in our sample, every respondent reported having access to schemes under the central government’s Employee State Insurance Corporation and Employee Provident Fund. Of these, 22 workers said monthly deductions were made in the form of scheme contributions.

As among the shoe factory workers, social security benefits do not seem to extend to temporary tannery workers, as none of the eight temporary workers responded affirmatively to this question. Eleven workers reported that employer contributions were not regular and that such delayed contributions were due to the disruption caused by the pandemic.

7.6 Non-statutory benefits, working hours, leave, overtime, and production targets

Most of the tannery workers in our sample (17 out of 31) reported receiving yearly bonuses as part of their compensation. Nine workers said free tea was provided to them at work. No other non-statutory benefits were mentioned.

The most common production schedule for tannery workers seems to be organised around a triple working shift (28 out of 31 respondents), while double shifts (2 out of 31) and single shifts (1 out of 31) were rare. Most respondents reported a six-day working week (27 out of 31) with an eight-hour workday (30 out of 31). Four respondents said they worked seven days a week. Twenty workers also reported working on weekly days off during the previous three months.

“I am working in the tannery for six years now. Yet it’s very difficult for me to avail leave. If I take a day off during peak season, the supervisor will not allow me to come inside the next day. He will deny me work for the next one week and not pay wages for that period. So I make sure to go for work even if I am not well” – Male Ambur tannery worker, aged 42.

Access to paid leave was relatively common among our sample. Twenty-two workers responded affirmatively to our question on paid leave, reporting a range of between nine and 29 days’ paid leave yearly. Almost half the sample (14 out of 31) reported 14 days of paid leave every year, while 13 workers said it was easier to access unpaid leave for emergencies such as for health reasons. Most workers (17) found access to paid leave difficult during emergencies. Some workers described punitive measures being taken by management in response to leave requests

beyond the leave quota; these include deduction of wages and warnings about removal from the workplace.

Tannery workers in our sample commonly reported incidences of overtime work. Most workers (26 out of 31) mentioned some form of overtime work, while 24 reported the presence of regular overtime. The amount of overtime hours mentioned varied significantly, from three to 24 hours per week (Figure 18).

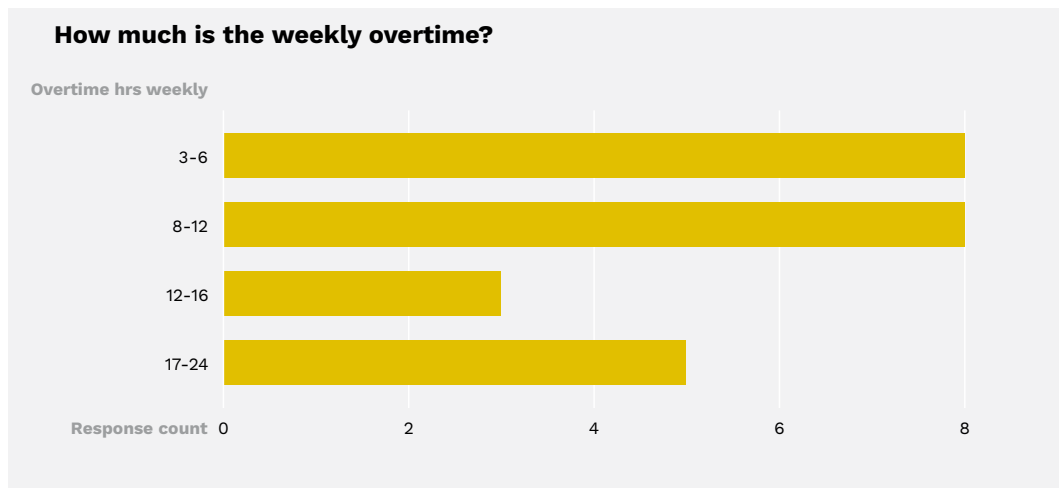


Figure 18. Weekly overtime hours mentioned by tannery workers

Twenty-one workers said overtime was paid at the standard hourly rate, and only four workers reported overtime pay as double the usual pay. Fifteen workers reported that overtime was not mandatory, and 17 said there were no negative consequence for refusing overtime work. However, some workers mentioned that management took punitive action such as verbal harassment and threats of removal from work if people refused to work overtime.

Production targets were commonly mentioned (by 20 out of 31 respondents). The single female worker among the tannery sample noted that she was not given any production targets. Seventeen workers said the management took disciplinary action when production targets were not met, which often involved asking people to work extra hours; verbal harassment was also mentioned.

Production targets were reported to be variable by most workers (17 out of the 20 who mentioned targets). High targets were often set while completing export orders (12 respondents) and in months of high demand (August to December and January to March) (8 respondents).

7.7 Child labour

Almost all respondents (29 out of 31) reported that the tannery management checked their age before taking them into the workforce. These workers said their Aadhaar number, voter ID card, and school-leaving certificate were checked. No incidence of child labour was reported.

7.8 Workplace discrimination and maternity benefits

Fourteen tannery workers responded affirmatively to our survey question about having faced verbal harassment at the workplace. The one female worker in the sample reported physical punishment as a disciplinary process, such as being made to stand outside the premises. Personal experience of sexual harassment at the workplace was reported to be absent.

Almost all those who responded that their workplace employed women also reported a gendering of workplace tasks. Women were mostly engaged as helpers or cleaners or for other housekeeping duties, while men were preferred for tasks such as operating machines. Most workers employed in tanneries with both genders in the workplace reported that their supervisors were male.

Six respondents perceived that they had been discriminated against because of their caste and/or religious identity. Five considered that the management displayed preferential treatment to workers of the same religion.

Turning to maternity benefits, only one worker responded affirmatively (mentioning a period of three to six months) to the question of whether maternity benefits were provided. Other workers reported that women of childbearing age were rarely hired, and hence this benefit was not relevant in their workplace. When it came to accessing workplace crèche (childcare) facilities, no worker mentioned the availability of crèches. This could point to the fact that tanneries do not provide adequate maternity facilities for the women workers they engage.

7.9 Grievance redress mechanisms, audits, and freedom of association

Fourteen out of the 31 tannery workers in our sample were aware of some form of formal or informal grievance redress mechanism at their workplace. Deeper questioning revealed, as with the shoe factory workers, that tannery workers frequently rely upon the immediate management hierarchy to resolve issues. Fifteen workers said they would approach their supervisor; another three workers reported that they would usually approach the human resources manager; and others mentioned their team leader or line manager as their nodal persons for grievances.

When asked about the presence of statutory committees, 11 workers reported the existence of both works and safety committees, while another 11 mentioned only works committees being present, and one reported only a safety committee. None of the workers mentioned any other committee such as an internal complaints committee or a canteen committee.

Of the 23 workers who responded affirmatively about the presence of statutory committees, 14 considered that these committees had sufficient worker representation, seven responded in the negative, and two workers were not aware of the composition of the committees.

When it came to internal committees set up under the legislation to prevent workplace sexual harassment, five workers had not heard of such a committee, while 19 workers said such a committee was not applicable in their workplace. On a related note, none of the workers reported taking part in any training related to the prevention of sexual harassment.

Overall attitudes towards grievance redress mechanisms were somewhat positive, with 45% (14 out of 31) of the tannery workers sample mentioning that they felt comfortable sharing their concerns. Only six out of the 14 reported being satisfied with the outcomes of the grievance redress process. Nine workers reported a possibility of losing their job as a result of raising grievances. Only one worker reported being able to approach local trade unions with their grievances. This demonstrates again, as with the shoe factory workers, that workers have expectations, and there are legal obligations, that current processes are unable to adequately meet.

“For any issues with co-workers, we can only report it to our supervisors, who will say that they will take it up with the HR [human resources] or the higher management. I have never seen any issues resolved through proper enquiries. However, we cannot make any complaints regarding supervisors or any work-related issues” – Male Ambur tannery worker, aged 45.

All workers (31 out of 31) reported social audits being conducted, and 14 workers reported interactions with the audit teams. However, only four respondents said the social audit was a preferred route for expressing their grievances.

As with the shoe factories, we attempted to understand the extent to which tannery workers enjoy their right to freedom of association. Here the survey found that most tannery workers were not aware of the presence of trade unions in their workplace (22 out of 31), while nine mentioned the presence of a union. Five workers reported being members of a union. Most respondents (24 out of 31) noted that employers discouraged freedom of association activities. Six workers responded affirmatively to the question of whether workers or worker representative organisations were involved in the fixing of wages.

7.10 Occupational health and safety

We now turn to occupational health and safety standards in the tannery workplaces. Most of the tannery respondents (22 out of 31) said they handled chemicals at the workplace, including soap oil, sodium salts, lime, chromium, among other potentially harmful substances.

Twenty-six respondents noted that they operated equipment or machinery at the workplace. Among the machines mentioned were hydraulic machines, and machinery used for setting, plating, samming, vacuuming, auto-spraying, skiving, shaving, and splitting. Dye house machinery included drums and auto-spray guns.

Despite the use of chemicals and machinery on the shop floor, only 11 workers reported being trained to handle chemicals and operate machinery. Most workers (24 out of 31) reported using some form of employer-provided PPE (Figure 19), but only 10 said they used this regularly. Among the possible reasons for this lack of use could be workers' lack of familiarity with the equipment and a mismatch between the equipment and its purpose in the tannery.



Chemicals stored in plastic cans at a tannery in Ambur

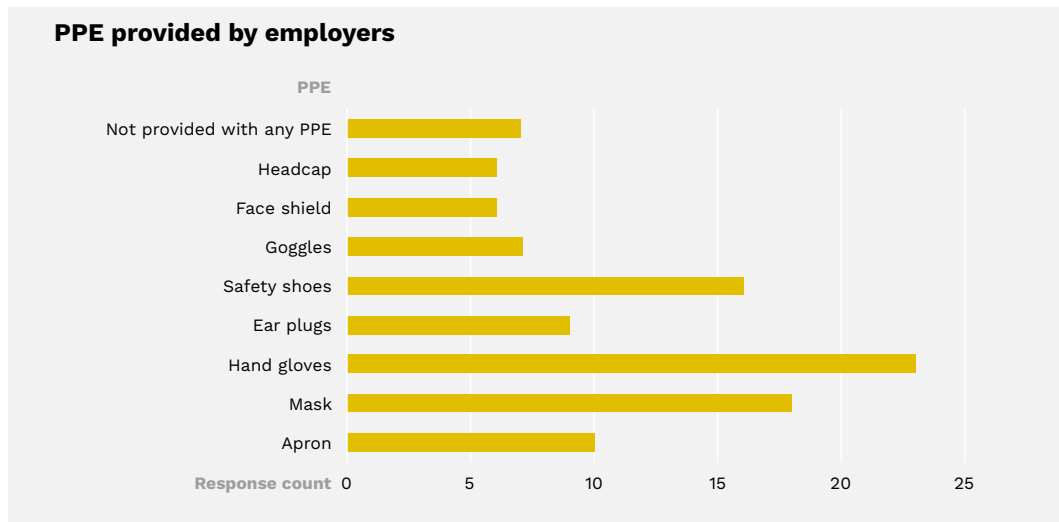


Figure 19. Types of PPE provided by employers to tannery workers

In terms of incidents, five workers responded that they had heard of equipment-induced injury to colleagues, while another two workers had suffered injuries themselves. Twenty-eight respondents reported regular health issues they faced, of which the most common were pain in joints and legs from long standing hours (23 out of 31) and lower back pain from long hours seated in a non-ergonomic way (22 out of 31).

A number of other eye, skin, and respiratory ailments were reported too without any discernible pattern. As with the shoe factory workers, tannery workers' responses on health and safety reveal the significant need for employers to ensure workplaces are safe, healthy, and protective for all workers.

Tannery workers are entitled to various occupational health and safety measures under both the national and the state labour law frameworks as well as through company policy. Figure 20 gives a breakdown of how respondents reported workplace health and safety provision.

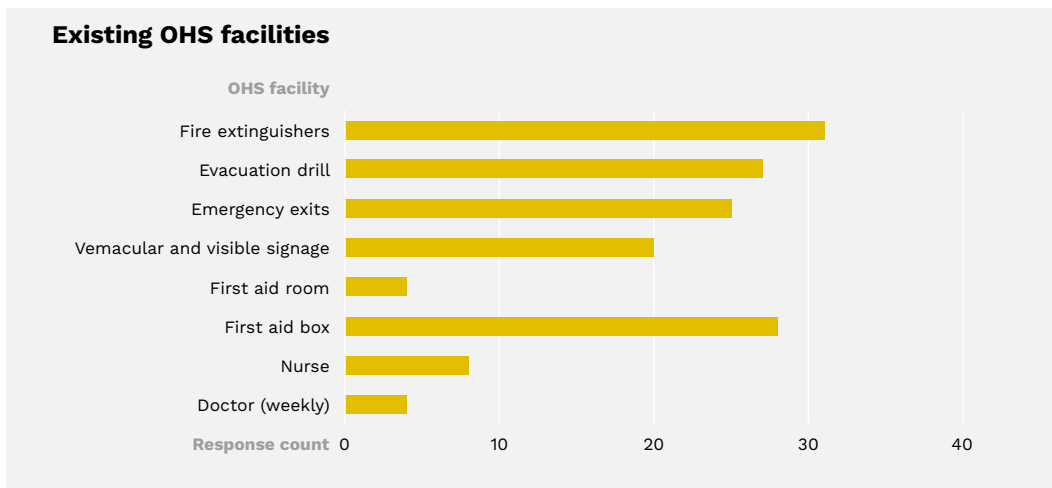


Figure 20.: Occupational health and safety (OHS) provision as reported by tannery workers

Our questions regarding toilets, drinking water, and canteens again drew answers that demonstrate a decent standard of facilities. All 31 tannery respondents reported the availability of clean toilets, with 12 mentioning separate toilets for women; 26 respondents noted the availability of clean drinking water, and 12 the availability of canteen food.

“First aid box is provided but they are not well-stocked. We need to take permission from our supervisor to use them. Two years back my index finger got stuck in a machine and the skin got damaged. I was not given first aid inside the company as there were no medical professionals. I was taken to a private clinic and given first aid there” – Male Ambur tannery worker, aged 54.

7.11 Measures taken during the Covid-19 pandemic

As with the shoe factories, we sought to understand how well the tanneries were equipped to handle a return to work between waves of the Covid-19 pandemic. Twenty-four workers reported feeling safe in the workplace to continue to work. Most workers mentioned the important Covid-19 protocol trinity of hand-washing facilities (20 out of 31), mandatory face masks (25), and screening of body temperature (29). Other supporting processes such as social distancing (15 out of 31), vaccination campaigns (20), and paid leave for vaccination (4) were again markedly less common.

“The work situation in my tannery post the Covid-19 lockdown is very tough. We are not getting regular work. I am scared to take a day off from work as my supervisor will then deny me work for the next three days. I have exhausted the little saving I had and we have accumulated a lot of debt now. My son has also lost his job. The salary I draw is not enough to feed the family. I do not know when the situation will improve” – Male Ambur tannery worker, aged 51.

8 Conditions in informal tannery units and workshops

The leather and footwear industry in Ambur is largely dominated by large supplier companies. However, there are also micro and small enterprises, mainly tanneries, that operate in the informal subsector. To gain an understanding of working conditions in these enterprises, we conducted interviews with 10 workers (six males and four females) who were working there. In this section of the report we present insights from the semi-structured interviews we conducted with these informal-subsector workers.



Outside an informal tannery workshop, Ambur

8.1 Profile of surveyed workers

Out of 10 informal tannery respondents, six were above the age of 50, two were in the age group 40 to 50, and the two other workers (both men) were aged 30 to 40. Nine of the respondents were Hindus, and one was a Muslim. All nine Hindu respondents belonged to the scheduled caste community. The Muslim respondent said he belonged to the “backward class” community. Except for one respondent, all the other workers were married. Of the four female respondents, one was a widow, and another had been deserted by her husband.

Three respondents (two males and one female) had more than 15 years of experience working in the leather sector. Four respondents had 5 to 6 years’ experience. and three had less than 3 years’ experience in the industry. Four male respondents mentioned that they had started work in the leather sector because of having family already working in the sector.

8.2 Work and work environment

Three informal-subsector respondents said they worked for small-sized enterprises, where the number of employees ranged from 70 to 150. The other seven respondents said they worked for very small enterprises, with the number of workers in these enterprises ranging from 7 to 50.

All the 10 respondents interviewed worked in different tanneries or job work units. Six of these workers mentioned that their tannery only processed semi-processed leather (or wet blues) to finished leather. Three said their tannery carried out the initial processes of converting raw skins and hides into wet blues. One worker said their tannery did only part of the tanning process, processing wet blues in the drums and drying them before sending them to another tannery for dyeing and finishing.

These interviews indicate that fewer females than males work in informal tannery units, possibly replicating the pattern in larger, formal tanneries (see subsection 7.1). Four respondents said there were only one or two female workers in their workplace. While the female workers were involved largely as cleaners, sweepers, and helpers (especially to dry leather in the open and remove dust from leather), male workers were engaged in the main production activities. Typical activities carried out by male workers included cutting, shaving, and soaking skins and hides in lime pits, drum operation, loading, hooking, skiving, and plating.

Seven respondents mentioned that standard working hours in their tannery were between nine and 10 hours per day. One respondent from a medium-sized tannery said the usual working hours at his workplace were eight hours. Another respondent working for a tannery that carries out wet processing of skins and hides mentioned that he worked for six hours a day, from 5 a.m. to 11 a.m. He said his work involved soaking leather in the lime pits, which cannot be carried out during the daytime when it is too hot. One worker from a small tannery mentioned that they did not have fixed working hours, as hours varied depending on the size of orders received by the tannery.

8.3 Social security, wages, and leave

All 10 informal-subsector respondents said they were temporary workers. None considered they were covered under the social security schemes.

All these workers said they received daily wages. While the daily wage of male workers interviewed ranged between INR 200 and 310 (EUR 2.3 and 3.6), the daily wage of female respondents was lower at INR 150 to 250 (EUR 1.7 to 2.9). Five respondents confirmed that wages in the sector were lower for female workers than for male workers. Only four male respondents received daily wages between INR 270 and 310 (EUR 3.1 and 3.6), which is comparable to the minimum monthly wage rates for formal tanneries.

Interviews revealed that workers in informal tanneries and job work units do not get work throughout the month. Six respondents said they are asked to come to work only if the tannery gets work orders and mentioned that they are informed in advance if the tannery has no orders. Two respondents said they do not get any work during the rainy season, as it is not possible to dry the leather in that period. Thus these interviews revealed that work in informal tanneries is very precarious

and that often the daily wages that informal-subsector workers receive do not add up to a decent monthly wage, as they do not have consistent access to work.

None of these respondents mentioned that they get paid leave. Yet almost all the workers mentioned that taking leave is not a problem for them. As they are not paid for leave, they said they do not have to ask permission from their employer to take leave. However, the workers mentioned that, since they get work only for a few days in a month, they do not take leave.

8.4 Workers' health

The majority of respondents (7 out of 10) considered that work in the informal tanneries is physically demanding. Four respondents also said that small accidents like cutting fingers and hands, or getting skin burns, were quite common in their workplace. Seven respondents, including three female workers, said they experienced severe body ache, leg pain, back pain, and shoulder pain due to long hours of standing, lifting weights (especially leather), and constantly bending to spread leather for drying.

One male respondent said most workers including himself faced problems due to leather dust in the work environment. He said it causes eye irritation, throat pain, and dryness, and sometimes the dust blocks the nose. Another male worker said he had frequent bouts of fever. He also mentioned that he and others at his workplace had developed painless black scars on their body parts, and the doctors could not find the cause.



Dyeing vats at a small tannery, Ambur

Our interviews with informal-subsector workers revealed that they do not receive sufficient PPE for work in tanneries. Nine respondents mentioned that they were provided with face masks. Three said the masks were given only as a safety measure to prevent Covid-19. Four respondents said they were given gloves, and two mentioned being provided with aprons.

In the absence of employer-provided PPE, some workers find ways to protect themselves at work. One female respondent said she used a plastic sheet to wrap around her lower body, while a male respondent said he used rubber tubes to wear on his legs while entering lime pits.

8.5 Access to work

The majority of the informal tannery workers sample said they never tried working in larger tanneries or shoe factories. They said such companies prefer only younger workers and they feel they are too old to seek employment there. Four respondents also mentioned that there are advantages in working for informal enterprises, which are not very strict with working hours and leave. Since they are only paid for the work they carry out, the employers do not impose restrictions on them, which is not the case in formal workplaces.



A worker handling leather in a small tannery, Ambur

All these respondents said the only work they knew was working in leather, and they feel they are not aware of opportunities in other sectors. Almost all said the Covid-19 pandemic and lockdowns had affected their livelihood and income. Most tanneries had remained closed for more than three months during the first lockdown, and the workers had survived without an income only through government-provided food rations and cash support. Some also reported having borrowed money from relatives and friends to tide them over. According to the workers, the informal tanneries were not getting orders at the pre-Covid-19 level, and they were getting work only for a few days each month.

8.6 Links with formal industry and supply chains

The workers in the informal tanneries had very limited knowledge of the formal leather industry and its supply chains. Two respondents mentioned that agents or middlemen are involved in getting work orders to informal tanneries and job work units. Agents bring semi-processed leather in the form of wet blues to these tanneries and after finishing take it back. Workers were not aware of the destination of consignments.

Three respondents mentioned the places from where raw materials in the form of raw hides and skins and wet blues came to their tanneries. The places were Chennai, Erode, Nagoor, Pernambut, Ranipet, and Vaniyambadi in Tamil Nadu state, Jaipur in Rajasthan state, Kerala state, and Italy. One respondent confirmed that a large local tannery outsourced to their workplace, with semi-processed leather brought from the large tannery and finished leather sent back.

9 Conclusion

The research we conducted and report on here has considered three main approaches to understand the three types of workplace that are the focus of this study: desk research reviewing the existing literature, field research comprising mainly semi-structured interviews with workers; and interviews with trade union representatives. We applied these approaches variously with the three workplace types – shoe factories, formal tanneries, and informal tanneries – to provide a view of working conditions in a critical part of the leather and footwear supply chain.

We have attempted to triangulate our findings to produce an accurate picture of working conditions. Overall, we find that shoe factories have a predominantly female workforce, while tanneries have a greater proportion of male workers. Work in both shoe factories and tanneries is gendered, although respondents did not always directly report it as such. Significant portions of the workforce are from vulnerable or marginalised religious or caste communities. Though identity-based discrimination is prevalent, workers did not or were unable to share details.

The steady rise in production targets was a common issue noted by most stakeholders. Also evident is a large gap between wages earned and statutory minimum wages. Ensuring payment of the minimum wage remains an uphill task for policy-makers. One-third of respondents from formal tanneries (10 out of 31) received wages below the legal minimum. In the case of shoe factories, more than half the workers interviewed (16 out of 30) received less than the legal minimum wage for the subsector.

Almost all temporary workers interviewed (from both shoe factories and tanneries) reported that they had no access to social security benefits. This is a major area of concern, as the employment of temporary workers is widespread in the sector.

Workers were well aware of overtime pay but lacked awareness about how to claim it. Similarly, workers knew about informal grievance redress channels; but when it came to formal channels, many lacked awareness of them or were reluctant to use them.

One area of cautious optimism is the availability of workplace washroom facilities, clean drinking water, and canteens. Survey respondent awareness about such facilities indicates that decent work standards are being met in this aspect.

In terms of the legal employment status of workers, we noted a mix of permanent and temporary contracts. However, it is a matter of concern that employment documentation is incomplete for both types of worker. In the surveyed shoe factories, only six workers (20% of the sample) reported having all three main documents relating to the job (a letter of appointment or contract letter, a company identification card, and payslips). All these six workers had reported their employment status as permanent.

In the final analysis, nearly a half the total sample of workers across the three workplace types had no employment documentation. In the tanneries especially, the situation leaves significant room for improvement. None of the formal or informal tannery workers reported receiving an employer's appointment letter or contract letter, while 15 workers in formal tanneries (almost half that sample) and all 10 workers in informal tanneries reported having no documentation at all.

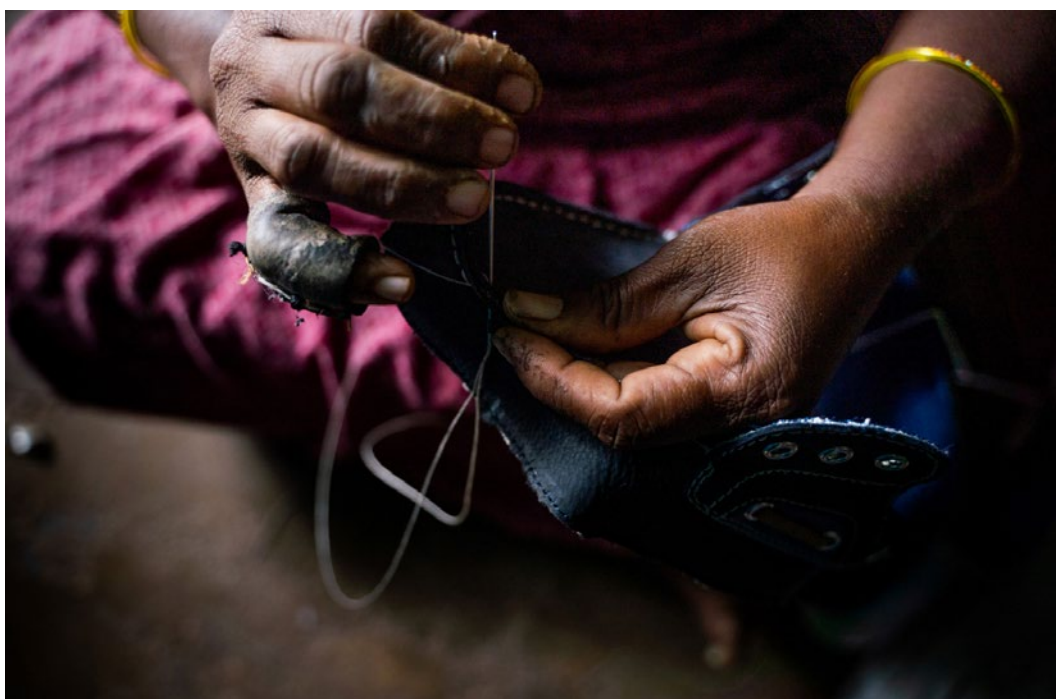
This lack of documentation runs counter to the legal obligations of employers. And it affects the legal right of workers to claim benefits and social security and leads to an increase in precariousness for workers who are already in a vulnerable position in the supply chain. Ultimately, this situation also affects the ability of the central and state governments to engage in evidence-based welfare policy-making.

Although shoe factories in the Tamil Nadu cluster employ a large number of female workers, a significant number of respondents reported the lack of crèche (childcare) facilities at workplaces. This indicates the absence of gender-sensitive policies in factories.

Close to half the respondents from both shoe factories and tanneries reported verbal abuse and harassment as common.

The study also confirmed that the statutory committees, although present in most cases, are not workers' preferred platforms to report grievances, and workers tend to approach only their immediate supervisors. This points to an urgent need for making these committees functional and accessible to workers. An overwhelming number of workers also confirmed that they are not part of trade unions and that union activities are discouraged by their respective managements.

Overall, our study noted critical issues such as the absence of proof of employment, wage rates lower than both living wages and local minimum wages, lack of social security for temporary workers, lack of child-care facilities, obstruction of freedom of association, inadequate grievance redress systems, and poor health and safety provision were noted in our study.



A woman home based worker stitching shoes in her house.

10 Recommendations

10.1 Due diligence through business responsibility and accountability

Buyers and brands

Buyers and brands should take full responsibility to perform human rights due diligence throughout their supply chains. A deeper focus for buyers and brands on actualising the extraterritorial application of supply chain regulations (like the draft EU mandatory human rights due diligence (mHRDD) law or OECD Guidelines on Multinational Enterprises) through specific policies for the Global South is required. Buyers and brands should base their approach on the specifics of supply chain regulation and incorporate the realities of diligence in the Global South.

Consultation and awareness campaigns should be organised to open up the implications of supply chain regulations and other relevant laws among buyers and brands in the Global North.

Suppliers

Leather supplier companies should develop a thorough understanding of workplace conditions in the leather industry through accurate due diligence on the part of management regarding their operations. While corporate social responsibility (CSR) approaches are well developed by some companies, a better route to ensure beneficial environmental, social, and governance (ESG) outcomes may be to engage via India's Business Responsibility and Sustainability Reporting (BRSR) framework. Introduced by the Securities and Exchange Board of India (SEBI), BRSR will become mandatory for India's largest 1,000 listed companies from the financial year 2022–23.²⁷

As the statutory nature of the BRSR framework expands, India-resident companies should look to thoroughly analysing to what extent labour, gender, and caste discrimination, minimum wage violations, and other labour rights abuses occur in their supply chains. Suppliers should seek the views of local civil society and workers' rights organisations (such as trade unions) as part of their monitoring and analysis. Based on the BRSR framework, supplier companies should make time-bound plans to share details about their efforts, preferably through public report filing.

10.2 Cross-border supply chain mapping and transparency

Buyers and brands

Buyer companies and brands should map and report transparently on their interconnected cross-border supply chains in the Global North and South. Because many of such links are established through informal contact and relations, this kind of mapping will require specific budgets and vision to execute.

Buyers and brands need a complete supply chain map to plan and execute impactful sustainability interventions. The mapping exercise should not necessarily be connected to legal compliance in any one jurisdiction but adhere to international best-practice norms established through stakeholder engagements. Buyer companies should also ensure that payments are made on time and of a quantum that allows suppliers to pay their workers fairly without losing the competitive edge.

Suppliers

Suppliers need to focus on increasing their bargaining power in negotiations with business partners in the Global North. This will enable them to rise in the value chain, gain agency, and use this to positively influence their workplaces and employment practices in a more sustainable direction.

10.3 Rule-based supply chain governance through 360-degree stakeholder feedback

Supply chain governance by buyer companies and brands should be based on clear and public rules of engagement. Many global companies have a predefined supplier verification and onboarding process; these processes need to include ESG parameters. ESG parameters and their monitoring should incorporate 360-degree feedback from all stakeholders in the value chain. A responsive feedback mechanism is essential to keep oversight and control over a long and complicated supply chain that stretches through many legal jurisdictions. Similar principles should be used to establish, test, and grow grievance redress mechanisms.

Common frameworks for due diligence have been developed through the efforts of multi-stakeholder initiatives in allied industries such as garments. For the leather sector these efforts need to focus on a common taxonomy that can help define achievable ESG targets for suppliers.

10.4 Building business operations for the long term through better contracting processes

Frequent changes in the supply chain tend to reduce the quality of working conditions for workers as well as the quality of the final product. Offshore buyers and brands and onshore suppliers should work together to establish long-term relationships through well-defined contractual terms. Steady supply chains can improve productivity and profit margins while ensuring that ESG benchmarks can be monitored and maintained at relatively lower cost and effort.

10.5 Employment contracts, statutory committees, and ending discriminatory practices

Suppliers should enter into written contracts with all their workers irrespective of employment status. Discriminatory practices should be explicitly banned through binding multi-stakeholder agreements between buying companies, brands, workers' rights organisations, and supplier companies. With all stakeholders on board after effective consultations, it would be feasible to hold companies accountable for their responsibility in ensuring a discrimination-free workplace. The factories should adopt gender-sensitive policies to ensure that the women workers are not subjected to gender-based discrimination and violence. Maternity benefits and childcare facilities in workplaces should be provided to all women workers in accordance with local laws.

Statutory committees should not only be formed but also be carefully nurtured to ensure they function as intended by the legislation. These committees can form a valuable feedback mechanism for management and regulators alike, enshrined in the law while being accessible to workers in times of need. Feedback on the working of committees requires a wider base of stakeholders; currently the base

is narrow (through specific audits), and committee processes lack legitimacy among stakeholders.

10.6 Living wages

Offshore buyer companies and brands, onshore suppliers, and state governments all have a responsibility to ensure living wages for all who work at the three types of workplace considered in this study. The next steps in this regard would be to acknowledge the present gap in wages, followed by legislative and policy changes to guarantee that wages do not slip below minimum wage standards to begin with and progressively grow towards living wage standards.

10.7 Grievance redress mechanisms

Efforts are needed to make workplace grievance redress mechanisms more accessible and effective. Statutory committees that currently are not effective for grievance redress can be supported through extraterritorial frameworks for buyers and brands in the Global North, such as the draft mandatory human right due diligence legislation at EU level, due diligence laws at the national level such as in Germany and Norway, and multi-country business, human rights, and grievance redress frameworks such as the UN *Guiding Principles on Business and Human Rights* and those of the International Finance Corporation (IFC) and the Organisation for Economic Co-operation and Development (OECD).²⁸ This is something buyers and brands should focus on throughout their supply chains.

10.8 Freedom of association

Buyers, brands, suppliers, governments, civil society, trade unions, and investors should work to expand the narrative around the internationally recognised human right, and constitutional right of Indian workers, to freedom of association. Making connections between this right and beneficial outcomes for the entire ecosystem of stakeholders in the leather and leather footwear industry is urgently needed. Dispute resolution and grievance redress mechanisms are foundationally more efficient if stakeholders feel ownership of the process, which freedom of association can assist, in place of the current limited space in the sector for freedom of association or social dialogue.

Brands and buyers should undertake awareness-raising campaigns among their suppliers. All supply chain actors, regulatory agencies, and other stakeholders should offer support to trade unions and other workers' rights organisations and challenge obstructive practices.

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